Daily Report

Latin America

FBIS-LAT-92-166
Wednesday
26 August 1992

Daily Report
Latin America

FBIS-LAT-92-166 *26 August 1992*

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

FRONT PAGE

INTER-AMERICAN AFFAIRS

Minister Explains NAFTA Effects on Mercosur *[Brasilia Radio]* 2
El Salvador, Guatemala To Trade With Mexico *[LA PRENSA GRAFICA 25 Aug]* 2

CARIBBEAN

Cuba

U.S. Intensification of Blockade 'Denounced' *[Havana Radio]* 3
'No End in Sight' for 'Special Period' *[Mexico City NOTIMEX]* 3
Castro Tours Eye Disease Center in Havana *[Havana Radio]* 4
Measures To Solve Transportation Problems Noted *[Havana Radio]* 4
Donation from Spanish Town Arrives 25 Aug *[Havana Radio]* 4

Haiti

MDN Comments on Visit by OAS Delegation *[Port-au-Prince TV]* 4
Immigration Employees Aid Illegal Travelers *[Port-au-Prince Radio]* 5

MEXICO

War on Inflation To Remain 'Economic Priority' *[Mexico City TV]* 6

CENTRAL AMERICA

Costa Rica

Puntarenas Court To Try Captains of U.S. Ships *[Mexico City NOTIMEX]* 7

El Salvador

Honduran Newsmen Detained on Meangera Island *[San Salvador TV]* 7
Integration, Free Trade Agreement Links Viewed *[San Salvador Radio]* 7

Guatemala

Issue With U.S. on Kidnapping Called 'Closed' *[PRENSA LIBRE 24 Aug]* 8
Commission Verifies Air Force Bombings *[PRENSA LIBRE 23 Aug]* 8
Accusations 'Cannot Be Justified' *[Guatemala City TV]* 8
Government, Rebels Exchange Accusations *[Mexico City NOTIMEX]* 9
Police Report U.S. Citizen 'Hacked to Death' *[SIGLO VEINTIUNO 24 Aug]* 10
Minister on Prospects for Export Products *[Guatemala City TV]* 10

Honduras

Government Officials Criticize U.S. Ambassador *[TIEMPO 22 Aug]* 10
Car Bomb Explosion Injures 3 at University *[Panama City ACAN]* 11

Nicaragua

Transporters Strike Ends; Agreement Reached *[Managua Radio]* 11
'Text' of Agreement Issued *[Managua Radio]* 12
Stock To Compensate for Confiscated Property *[BARRICADA 24 Aug]* 12
Central Bank, BCIE Sign Credit Agreement *[Managua TV]* 13
Rebels Attack Rural Command Unit in Camoapa *[Managua Radio]* 13

Panama

Attorney General Says U.S. Reward Offer Legal *[EL PANAMA AMERICA 25 Aug]* 14
Municipal Police Name Changed to 'Patrol' *[Panama City TV]* 14

SOUTH AMERICA

Argentina

New Chief of Armed Forces Joint Staff Named *[TELAM]* 15

Bolivia

Journalists Criticize U.S. State Department *[La Paz Radio]* 15

Brazil

Collor Rejects Charges, Will Remain in Office *[Buenos Aires NOTICIAS ARGENTINAS]* 15
Collor Interviewed *[Buenos Aires TV]* 15
Chamber of Deputies To Discuss Impeachment 2 Sep *[Rio de Janeiro TV]* 16
Collor, Officials To Begin Defense 27 Aug *[Rio de Janeiro TV]* 16
CPI Report Reactions Viewed, Plans for Voting *[Rio de Janeiro TV]* 16
Borja Says Ministers 'Do Not Plan To Leave' *[Brasilia Radio]* 17
Ministers Pledge Work To Guarantee Governability *[Brasilia Radio]* 17
Legislators Attempt To Repudiate CPI Report *[Rio de Janeiro TV]* 18
Opposition Officials Meet, To Back Impeachment *[Rio de Janeiro TV]* 18
Impeachment Plans Outlined *[O GLOBO 25 Aug]* 19
Possible Impeachment of President Collor Viewed *[O GLOBO 24 Aug]* 19
Justice Minister Celio Borja Interviewed *[O ESTADO DE SAO PAULO 23 Aug]* 20
Students Demonstrate for Collor's Impeachment *[O ESTADO DE SAO PAULO 22 Aug]* 22
Further on Demonstrations *[Rio de Janeiro TV]* 22
Parliamentary System Viewed as Alternative *[FOLHA DE SAO PAULO 21 Aug]* 22

Chile

Honecker's Wife Says Doctors Misled Government *[Santiago Radio]* 22

Colombia

Prosecutor's Office Releases 14 Envigado Guards *[Santa Fe de Bogota TV]* 23
Government Releases Former Panamanian Officer *[Santa Fe de Bogota TV]* 23
Authorities Uncover Money Laundering Operation *[Santa Fe de Bogota TV]* 23
Human Rights Committee Reports on 'Massacres' *[Santa Fe de Bogota TV]* 23
* Plans To Increase Social Spending Discussed *[SEMANA 28 Jul]* 24

Ecuador

Labor Leader Concerned Over Planned Measures *[Quito Radio]* 26

Peru

Government Modifies Articles of CCD Decree Law *[Lima Radio]* 26
Parties Accept Amendments *[Lima TV]* 26

Fujimori Asks for Parties' Election Participation *[Lima TV]* 27
Restart of Joint U.S. Drug Operations Reported *[Lima TV]* 27
Workers Oppose Social Security Privatization *[Lima Radio]* 27

Uruguay

Bolivia's Paz Zamora Arrives for Official Visit *[Madrid EFE]* 28
Argentina's Menem To Arrive *[Montevideo Radio]* 28

Venezuela

COPEI Committee Studies Austerity Measures *[Caracas TV]* 28
Fedecamaras Supports Measures *[Caracas TV]* 28
AD Party Supports Measures *[Caracas TV]* 29
Quality Control Increases Refinery Production *[Caracas TV]* 29
Petroleum Corporation on Natural Gas Use *[Caracas TV]* 29

Brazil

NOTICIAS ARGENTINAS reports that President Collor, in an interview given on Argentine TV, attributed the charges of corruption against him "to certain 'very huge interests'" who are "not satisfied" with the government. Collor "reiterated that he is not going to resign as president." Collor also said he had "ordered that every reported case of corruption be investigated to punish the guilty, whoever they may be." Collor said the reports of demonstrations were "magnified." He termed Vice President Franco "a trustworthy person," who "fulfills his constitutional duties," according to Buenos Aires TV.

Rio de Janeiro TV reports the Chamber of Deputies "will start considering an impeachment process" on 2 September. A "multipartisan committee" is to be appointed "which will have 10 days to give an opinion as to whether there are grounds for impeachment." It is expected the government will, at that time, "play all of its cards." The government wants the committee's opinion to be "considered by the plenum of the Chamber of Deputies, the vote must be secret, and a two-thirds majority is required to approve the impeachment process." On the other hand, the opposition hopes for "an open vote on the petition and the required majority could be just an absolute majority; that is, 50 percent plus one of the deputies."

Cuba

Havana Radio reports Carlos Zamora, Cuban ambassador and charge d'affaires, sent a letter to UN Secretary General Butrus-Ghali stating the U.S. efforts to "intensify the blockade against the island" "violate the principle of nonintervention in the internal affairs of other countries." The measure, which bans ships "that carry products in which Cuba has an interest" from U.S. ports, was intended to "increase shipping costs and discourage exports and imports between Cuba and other nations." The governmnent "denounced" these measures and asked the secretary general to "include this topic on the agenda" of the General Assembly session this fall.

Peru

Lima radio reports "the government has modified some articles of Law Decree 25684 on the elections of the Democratic Constituent Congress [CCD]." "To be a candidate representative of the CCD, one must be a Peruvian by birth, over 21, a citizen in good standing, and be registered in the Election Registry of Peru." Also, "unregistered political parties, independent organizations, and alliances which are formed must request registration before the National Election Board. They also must have no less than 100,000 members, with the signature and number of the election list for each one of them." Lima TV reports "opposition political parties agreed to accept the recent modifications and corrections... however, they objected to the point regarding the signatures of the supporters of independent groups."

Guatemala

Members of a multiparty commission visited areas in El Quiche "because the people reported they were being attacked by Guatemalan Air Force planes," according to PRENSA LIBRE. The commission members were "able to verify" bombings in the communities of Los Angeles where homes were destroyed and they issued a document which requested the government and the Army "recognize the rights of the civilian population" living in La Sierra and El Ixcan.

Guatemala City TV reports Defense Minister General Garcia Samayoa said the "accusations against the Guatemalan Army cannot be justified. It cannot be said that the Army bombed communities, because no towns exist there." According to Garcia, "...these towns were burned and looted by the rebels in the 1980's."

Minister Explains NAFTA Effects on Mercosur

PY2208030792 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 21 Aug 92

[Text] Foreign Minister Celso Lafer lectured in Rio de Janeiro today on the effects that the North American Free Trade Agreement, NAFTA, involving the United States, Canada, and Mexico, will have on Mercosur [Common Market of the South].

The seminar, called Challenges of Hemispherical Integration, has gathered businessmen from Brazil, Chile, Mexico, Canada, the United States, and Argentina.

The foreign minister said that it is difficult to say that Brazilian exports will be affected by this, because according to him NAFTA is a very large agreement, and the country's government is not yet fully aware of a number of the specific norms of the agreement, which deserve further study. Lafer added that Brazil can resort to GATT should it feel affected by the agreement.

[Begin Lafer recording] Obviously a program like NAFTA, as well as Mercosur, must go through analysis in order to discover its compatibility with GATT. The involved countries must assess this situation, and will place their objectives within the framework of this compatibility analysis. Mercosur is obviously being submitted to an evaluation process, to discussions on the clause that will guarantee this compatibility mechanism. But as the GATT director general rightly said, the problem is not clause 24 or some other; the problem is the study of this compatibility. [end recording]

The foreign minister added that regional and multilateral agreements are compatible although at any given moment they can cause contradictory situations, and that the seminar Challenges of Hemispherical Integration has served to show that this is possible.

El Salvador, Guatemala To Trade With Mexico

PA2608032592 San Salvador LA PRENSA GRAFICA in Spanish 25 Aug 92 p 3

[Text] Salvadoran Economy Minister Jose Arturo Zablah announced on 24 August that the governments and private sectors of El Salvador and Guatemala have agreed to negotiate jointly a free trade agreement with Mexico, as if they were a single country.

This means that the programs to eliminate tariffs, trade barriers, and to determine the origin of merchandise will be done jointly with Guatemala.

Zablah said that Guatemala shares a common border with Mexico, that El Salvador's industrial structure is similar to Guatemala's, and at the same time the countries in the area are grouping together to establish the "Northern Triangle"—a free trade area between Guatemala, El Salvador, and Honduras. This improves our bargaining power and makes us stronger by presenting Mexico with a common front.

Regarding fear that Mexican products will invade us, Zablah said this is not true because we have still not agreed to anything on reducing or eliminating import duties. What is already clear is that the first thing El Salvador and Guatemala will eliminate is import duties on goods that are not manufactured in Central America, most of which are raw materials, Zablah said.

Zablah mentioned that Mexico has recognized that there are different degrees of economic development in the region, so Mexico will expedite the elimination of tariffs, while Central America will do so more gradually, over a longer period of time.

Zablah stated that Salvadoran exports to Mexico for 1990 amounted to $3.4 million and for 1991 to $19.3 million. This represents a 473 percent increase.

If export figures to Mexico from both El Salvador and Guatemala are combined, they represent 72.4 percent of all Central American exports to Mexico, thus the importance of El Salvador and Guatemala negotiating jointly with Mexico.

Cuba

U.S. Intensification of Blockade 'Denounced'

PA2608013492 Havana Radio Havana Cuba in Spanish 0000 GMT 26 Aug 92

[Text] On 25 August Cuba denounced the recent measures adopted by the U.S. Government to intensify the blockade against the island and asked UN Secretary General Butrus-Ghali to include this topic on the agenda of the General Assembly session scheduled for September.

Carlos Zamora, Cuban ambassador and charge d'affaires, sent a letter to the UN secretary general stating that Washington's measures against Cuba violate the principle of nonintervention in the internal affairs of other countries.

The letter stresses that the U.S. Government decided in April to close all U.S. ports to any ship that carries passengers or merchandise to or from Cuba. It adds that this measure is meant to increase shipping costs and discourage exports and imports between Cuba and other nations.

The Cuban diplomat stated that as if this measure was not enough the United States extended the ban to other ships that carry products in which Cuba has an interest.

'No End in Sight' for 'Special Period'

PA2508200692 Mexico City NOTIMEX in Spanish 1849 GMT 24 Aug 92

[Report by correspondent Andres Canizales]

[Text] Havana, 24 Aug (NOTIMEX)—The austerity program—known as the special period—implemented by the Cuban Government to face the collapse of foreign trade with the extinct socialist community is in its second year and there is no end in sight.

The special period was decreed a couple of years ago by Fidel Castro's government. In peace time, the measure has served to further "tighten the screw" on the people's dwindling consumption level and has caused disruptions in most of the island's spheres.

The "antishock" adjustment program, which according to Cuban authorities "has not left anybody unprotected," is entering its third year. Up to now, none of the country's leaders or analysts have been able to anticipate when the Cuban economy will return to its former levels.

Until 1990, 85 percent of Havana's trade was carried out with Eastern Europe, especially with the former Soviet Union. According to official figures, Cuba received the equivalent of $1.65 billion in products at the close of 1991. Those imports were $2.15 billion less than what had been agreed for 1991 and $4.15 billion less than the amount agreed for 1990.

Several economists had predicted that the special period would last approximately five years. Now nobody is sure how long it will take to surmount the situation. The analysts have chosen to avoid any predictions, especially because of the rapid deterioration of Havana-Moscow relations following the foiled coup d'etat against then Soviet President Mikhail Gorbachev. The strained relations and the ensuing trade breakdown caused the island to lose 60 percent of its commercial activity in 1992 compared to 1989.

The government has given priority to several sectors such as tourism, biotechnology, the food program, and the medical-pharmaceutical industry. The "development time" in those areas, however, is not consistent with the pace of the country's economic deterioration. Several analysts maintain the recovery period will occur from 1994 to 1995.

The special period has prompted severe consumer and service restrictions to the almost 11 million Cubans and has caused a marked internal imbalance (offer-demand), which is fed by the ever-increasing black market. One of the principal shortages is fuel. Under normal conditions, the island consumed 13 million tons of crude a year, which now has been reduced to a little less than half. Such a reduction has directly affected transportation service, which is why only 30 percent of the necessary buses currently run in Havana. Power outages are a common occurrence and the food rationing card is being used as much as it was during the initial years of the revolution.

According to government figures, there have been satisfactory indexes, such as the 24 percent increase in the production of vegetables and farm crops, 15 percent in nickel, and 20 percent in tourism. The tourist industry could well become the principal source of income in 1995. According to tourism officials, the Caribbean country will be netting somewhere in the range of $1 billion in the field of tourism in 1995.

Analysts believe that although the levels of discontent and discouragement have increased among the people, the crisis has not caused social upheavals, as have occurred in other Latin American countries where severe economic programs have been implemented. For opposition sectors, the centralization program carried out by the Communist Party of Cuba [PCC] and "the repressive structure" have served as a contention formula.

For its part, the government feels the "social calm that prevails is because the people are gaining political awareness and because of the nature of the antishock measures."

The lack of unity and organization in the so-called internal opposition is also evidenced in this difficult stage, because although it opposes the government's economic policy, it has not presented an alternative to overcome the crisis.

According to intellectual sectors, despite the current difficulties, economically and politically the special

period entails the possibility of consolidating the Cuban model, following the period when Cuba was linked with Moscow.

The profound reorganization process, however, is evolving slowly. The existing uncertainty about when the national economy will see better times is talked about daily.

The most difficult year will be this one, leader Carlos Lage said a few days ago. Nobody, not even the person considered the economic brain of Castro's government, dares to predict when the special period will be overcome.

Castro Tours Eye Disease Center in Havana

PA2508165092 Havana Radio Havana Cuba in Spanish 0000 GMT 25 Aug 92

[Text] Cuban President Fidel Castro visited the International Center of Retinitis Pigmentosa [Centro Internacional de Retinosis Pigmentaria] this weekend. At the center, located in Havana, Fidel Castro spoke at length with the patients and with Orfilio Pelaez, director of the institution. At the end of the tour, the leader of the Caribbean island wrote in the visitors book that he was greatly pleased and proud of the center, a model of efficiency, organization, and patient care. Fidel Castro added that he was moved by the center's scientists, professionals, and workers because of their selflessness and hardworking spirit. He added that this center demonstrates that we can achieve whatever we set out to do and he congratulated all those working in the center, which is about to be inaugurated.

The center was built in response to the great international demand to receive treatment from Orfilio Pelaez, the only person in the world who has been able to arrest the advance of this progressive eye disease which had led incurably to blindness. In Cuba, there are five centers in various provinces which guarantee attention to the people.

Measures To Solve Transportation Problems Noted

PA2508225892 Havana Radio Havana Cuba in Spanish 0000 GMT 25 Aug 92

[Commentary by Roberto Morejon]

[Text] The U.S. economic blockade against Cuba and the drop in the island's trade with East Europe, especially the former Soviet Union, have reduced the Cuban economy's import capacity by more than 50 percent. Because the last advantages of the agreements signed years before by Havana and Moscow have disappeared and the island continues without credits from Western countries, Cuba has been forced to purchase all food, consumer goods, spare parts, and equipment at world market prices since January 1992.

Food and services are the areas most affected by these factors and the drop in petroleum supplies. In the service area, the transportation of people and cargo is experiencing a marked crisis. This crisis is being faced with measures that have come about mainly as the result of the Cuban people's creativity and the inevitable changing of some habits.

Nearly 700,000 bicycles have appeared on Havana's streets and many thousands of others are doing so in the cities and towns in the country's interior. Five bicycle factories began operating on the island to complement the massive import of this means of transportation from China. Cubans are adding all kinds of accessories to make the bicycles more functional and speedy.

Transportation officials have implemented other changes in the means of transportation, like the buses that tow a similar bus without an engine. This permits the saving of fuel and spare parts, which are in short supply. Other projects include the reconstruction of buses with parts made in Cuba; the adaptation of hundreds of cars, whose chassis are lengthened to increase their capacity; and the promotion of suburban railroads. One most useful suburban railroad line began to operate on 23 August from Havana to the popular beaches west of the capital.

If to this we add the circulation of more than 6,000 animal drawn vehicles in towns in the country's interior, we will have concluded our summary of the emerging measures adopted in Cuba to face the shortage of means of transportation, petroleum, and spare parts.

Donation from Spanish Town Arrives 25 Aug

PA2508221792 Havana Radio Havana Cuba in Spanish 0000 GMT 25 Aug 92

[Text] Approximately 300 boxes of medicine and laboratory equipment for hospitals worth more than $1 million are included in a donation organized by the Town Council of Puerto Real, Spain. The shipment will arrive in Havana on 25 August aboard the ship Ignacio Agramonte. Jose Antonio Barroso, mayor of Puerto Real, who is in Havana to preside over the delivery of the shipment, told the AIN [National News Agency] that the donation is an expression of active solidarity with Cuba because of its resistance to the United States.

He said the donation includes 50,000 kg of rice, 35,000 liters of cooking oil, 40 tons of hydraulic oil, four buses, three Pegasus trucks, 300 metal containers for garbage collection, 135 motorcycles, 12,000 kg of cement, and 8,000 kg of other construction material.

Haiti

MDN Comments on Visit by OAS Delegation

PA2508181392 Port-au-Prince Tele-Haiti in French 1130 GMT 25 Aug 92

[Text] Mobilization for National Development [MDN] of Hubert de Ronceray issued a press release in which it

asserts that it followed with great interest the visit to Haiti by the OAS delegation led by OAS Secretary General Baena Soares. MDN says it has found positive and negative aspects to this visit.

The positive aspects are that the OAS has ended its blindness and has stopped passing unilateral resolutions (?such as) the Washington agreement and its dictates by keeping silent on its new attempt to bring Jean-Bertrand Aristide back to power.

Regarding the negatives aspects, MDN points out that the mission said nothing about the Caesarean Operation [called for by Aristide and his supporters] or the murderous attacks against military and civilians. Under the heading of human rights, the mission said nothing about the violations of its own charter, its violations of the Haitian Constitution, the thousands of deaths caused by the embargo, and other disastrous consequences.

MDN says it hopes that this second visit by the OAS secretary general since the 30 September 1991 events will teach him that to become a facilitator he must close the file on negotiations and must move toward the lifting of the embargo and the diplomatic disentanglement. It is up to the Haitians to put the final touches to the end of the crisis with the revival of democratic institutions and the holding of elections, concludes MDN.

Immigration Employees Aid Illegal Travelers

PA2508175692 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 25 Aug 92

[Excerpt] Several immigration service employees at Cap-Haitian Airport are involved in trafficking people by plane illegally, according to an investigation into this matter. Authorities report that on the evening of 5-6 August, two planes landed at Cap-Haitian with the complicity of the airport's agents. Those who sold the tickets in Port-au-Prince for the illegal trips will be answering questions by the immigration authorities. [passage omitted].

War on Inflation To Remain 'Economic Priority'

PA2508191392 Mexico City Canal 13 Television Network in Spanish 1300 GMT 25 Aug 92

[Report by Roberto Garduno]

[Text] The government will continue to fight inflation, as it is an economic priority, and for that reason the serious and disciplined handling of public finances will not change. In inaugurating the Eighth National Banking Meeting in Acapulco, Guerrero State, President Carlos Salinas de Gortari reiterated the country is moving ahead, and the time has come to consolidate what has been achieved.

[Begin Salinas recording] We cannot heed the few voices proposing a relaxation of the financial discipline to make the country adjust to what really constitutes the inefficient aspects of its activities. These voices claim to be against inflation and yet promote the causes of inflation. I reiterate: We will not change our priority, which is to fight inflation further. Although we have made progress, we are not through yet. We will maintain the anti-inflation course with a firm hand. [end recording]

President Salinas explained the country's economic agenda seeks to fight inflation and achieve microeconomic efficiency by means of productivity and competitiveness in each enterprise and each worker.

[Begin Salinas recording] I want to insist that economic growth and access creates new challenges that are not resolved once and for all. The time of protecting and subsidizing companies has come to an end. [end recording]

In his address to Mexican bankers, the president affirmed the federal government will support small and medium-scale businesses with loans so they can become more productive and generate more jobs and higher wages. He also recalled this is a time of toil and greater achievements.

[Begin Salinas recording] The indexes we must look at with greater interest are not statistical ones, but those that gauge our capacity to make changes. Those indexes are formidable and encouraging, because they talk of our great capacity to move forward. [end recording]

Salinas noted some Mexican companies have made progress in the area of modernization and are competing favorably in the domestic and foreign markets.

Costa Rica

Puntarenas Court To Try Captains of U.S. Ships

PA2508042392 Mexico City NOTIMEX in Spanish 2309 GMT 24 Aug 92

[Text] San Jose, 24 Aug (NOTIMEX)—The Puntarenas Court on 24 August ordered the opening of a legal process against the captains of four U.S. ships seized in Costa Rican waters and against the manager of the company that owns the boats.

Luis Fishman, minister of government and public security, said the court decision is based on the constitutional principle of defense of the national sovereignty.

He said that, in accordance with Costa Rican and international laws, it is necessary for foreign vessels to request permission from the national authorities to pass through this country's territorial waters.

On 14 August patrol boats seized four fishing boats in Costa Rican waters and brought them to the port of Puntarenas where they are being held.

According to the captains, the ships came from Miami, went through the Panama Canal, and were en route to the Marshall Islands in the Pacific Ocean.

The legal action ordered by the Puntarenas judge began the trial of Mike Eddy, Randall Dyal, Heyward Smith, and Mike White, captains of the seized fishing boats.

Luis Guinot, U.S. ambassador in San Jose, presented a strong note of protest to the Costa Rican Government and said the seizure was illegal.

President Rafael Angel Calderon and Minister Fishman stated that "the Costa Rican Government will proceed in accordance with the decisions of the national courts and will not be pressured by anyone."

El Salvador

Honduran Newsmen Detained on Meangera Island

PA2508152492 San Salvador Canal Doce Television in Spanish 0300 GMT 25 Aug 92

[Text] Salvadoran naval forces detained four [number as heard] Honduran newsmen this past weekend while the newsmen were trying make a report on the Meanguera Island. The newsmen who were held for several hours are: Hector Amador, Maria Chinchilla, and Felipe (Pierrot) of the "Making Headway" ["Abriendo Brecha"] newscast and LA TRIBUNA. [sentence as heard]

According to the newsmen, a soldier seized their equipment in Meanguera and did not allow them to leave. Afterward, they were transported by patrol boat to Honduras' Amapala Island.

Integration, Free Trade Agreement Links Viewed

PA2508214492 San Salvador Radio Farabundo Marti Network in Spanish 1800 GMT 24 Aug 92

["International" commentary]

[Text] On 20 August, Central America and Mexico signed a free trade agreement, which was received with caution and skepticism by businessmen in the region. This shows that the negotiations to eliminate customs barriers in the area are being handled from the outside more than from inside the region.

Salvadoran businessmen received the treaty with little optimism and asked the government for support to enable them to compete under equal conditions. Honduran businessmen expressed a similar position, saying that the treaty will benefit Mexico more than Central America. Meanwhile, in an impressive act, Guatemalan poultry farmers publicly sacrificed 25,000 chickens to protest the fact that they are not prepared to compete with other countries in a free market.

Those positions expressed by Central American businessmen clearly show their fear of opening their borders to products from other countries with which they are not prepared to compete. This fear is justified, as trade between Central America and Mexico is very unequal. According to statistics for the past 10 years, Mexico only bought Central American products worth $34 million, while the region imported Mexican goods worth more than $300 million.

Another factor to be considered is Mexico's technological superiority with regard to Central American countries. In addition, although economic development in the area is unequal, negotiators give integration precedence over political and historical affinities. El Salvador, Guatemala, and Honduras could sign a trade agreement in May because they have similar economies. Nicaragua, which has an obsolete industrial base and is facing a political crisis, is the weakest in the area while Costa Rica is the only country capable of competing in the international market.

The free trade agreement signed on 21 August takes that economic reality into account and only outlines the basis for negotiations between Mexico and each of the Central American countries, with the goal of creating a free trade zone by December 1996. This is the most censurable part of the agreements, because far from facilitating regional integration based on historical and political affinities, it is done through selfish regulations that divide the region.

One of the weaknesses of this integration plan is that it does not call for broad consultations. Instead it is being handled by small cliques that basically respond to U.S. interests consonant with its Enterprise for the Americas Initiative. This has made businessmen in the area—who in their respective countries talk about free trade as a panacea—feel excluded, and so they criticize the same ideas they defend.

We believe integration is necessary, but not only in the economic field. Such limitations, instead of encouraging integration, would cause division during the negotiations. Central America needs to strengthen its negotiating position with respect to the other commercial blocs that are being formed. This implies taking into account all sectors so integration will benefit the area's economic development and its inhabitants.

Guatemala

Issue With U.S. on Kidnapping Called 'Closed'

PA2508153192 Guatemala City PRENSA LIBRE in Spanish 24 Aug 92 p 2

[Excerpt] [passage omitted] Guatemalan President Jorge Serrano Elias said on 23 August: "U.S. Embassy authorities have already given explanations and offered their apologies regarding the incident involving their Political Adviser George Chester, who had asserted that the Guatemalan Army was involved in the kidnapping of Maritza Urrutia. The Guatemalan Government, therefore, considers this matter closed."

Serrano added, it was a sticky incident for the government, not only due to the verbal accusations but also for a number of circumstances that surrounded the whole situation.

Meanwhile, Lee McLenny, U.S. Embassy spokesman, when referring to the incident said: "Currently the relations with the government are friendly," acknowledging that the incident had taken place.

"What is true in the Martiza Urrutia case is that a visa was extended so that she could travel to the United States with her family," McLenny said, although he refused to give any further details.

"Relations with the government are friendly and this case is closed," he concluded.

Commission Verifies Air Force Bombings

PA2508162992 Guatemala City PRENSA LIBRE in Spanish 23 Aug 92 p 37

[All names as published]

[Text] Members of a multiparty commission announced in a news conference that one person was killed and another was wounded as a result of bombings in the towns of Caba, in Chajul, and of Pueblo Nuevo and Los Angeles, in Ixcan—all of them Communities of Populations in Resistance, CPR. The commission recently visited the area to verify the situation.

In a news conference held at the headquarters of the National Commission of Guatemalan Widows, the commission members said they visited El Quiche on 20, 21, and 22 August because the people reported they were being attacked by Guatemalan Air Force planes.

The commission members reported that the victims were Domingo Pascual Juan, who died, and Antonio Mateo Baltazar, who was injured by the explosion of a 40-mm explosive. The commission members also said they found 7.62-mm casings.

They said they heard the testimonies of the residents who explained how they had been harassed, illegally arrested, and threatened; their crops stolen or destroyed; and their work areas bombed.

They specifically pointed out that at 1200 on 27 July a plane bombed one of the communities of Los Angeles, where four homes were destroyed, something the commission members were able to verify.

The commission members issued a document requesting the government and the Army to recognize the rights of the civilian population living in the area of La Sierra and El Ixcan.

Likewise, they asked for an immediate end to any type of harassment and they asked that the people be allowed to live as human beings, according to the provisions of the Guatemalan Constitution and of the international treaties accepted and ratified by the state.

The document also requests that the various social, economic, and political groups in the country, as well as the international community, heed and support the demands raised by the residents of those areas.

The members of the multiparty commission who visited the area and were present at the news conference are Cesar Alvarez Guadamuz; Bishop Heinz Joechim Held, of the Lutheran Church of Germany; and the Reverend Branko Nicolitch.

Also present were Stag Glen Madsen, of Denmark; Ana Gallagher, of the U.S. Human Rights Legal Action Center; Romeo Monterroso, of the Labor and Popular Action Union, UASP; Amilcar Mendez, of the CPR; and Rev Guillermo Salazar, of Confregua [expansion unknown].

Accusations 'Cannot Be Justified'

PA2608010092 Guatemala City Teleonce Television in Spanish 1800 GMT 24 Aug 92

[Text] On 24 August the Army denied reports by members of a multiparty commission on alleged human rights violations against Communities of Populations in Resistance [comunidades en resistencia] in Quiche Department. Defense Minister General Jose Domingo Garcia Samayoa reported on the Army's evaluation of political events during the last four years in Playa Grande, Quiche Department.

[Begin Garcia recording, in progress] ...that they currently have for their living. Indeed, I am going to refer to what we call the region of the Ernesto Guevara Guerrilla Front or Indochina region. There they said that the towns of Tercer Pueblo and Cuarto Pueblo still exist,

along with Los Angeles. Gentlemen, I have emphatically denied this because these towns were burned and looted by the rebels in the 1980's.

People have moved into this region by way of the support they received from the Army. Presently, Monaco, Centro Campesino Uno, (Mayaland), Nueva Jerusalem, (Chalvan), Santo Tomas, San Lucas, and Cari are populated. In these towns, efficient work is being done to benefit Guatemala.

Why are we in this region? This region has represented the rebels' logistical corridor. It would be useless for us to conduct military operations in an area without tactical and strategic value. Along the logistical corridor, you can see the solid red and the dotted red lines. They delineate the route the insurgents have always used to supply other rebel groups in the southern part of the country, namely Quiche Department. Our operations in this area have a tactical and strategic value.

You can see here that some CPR [Communities of Populations in Resistance] groups have been located. But if you compare them with the areas where the guerrilla camps and the fighting areas are located, they coincide with the places where we have established the CPR's, based on intelligence reports.

If at this minute we flew unannounced in a helicopter to see if the CPR's exist where they said they do, we would not find anything. I accepted and said that it is a combat zone. It is an area where military operations have been carried out. This is the exact place where they said that one peasant died. I do not know where he was buried or if his death was reported.

You can see the type of bomb they placed in this area. We will show you the bombs. The one you see here is a type of bomb that they have placed along patrolled areas. On the evening of 23 August, the rebels showed you some Army supplies. You can see here an M-79 grenade, which is used by the rebels. They said that a patrol went by there—it is true that a patrol went by—but rebels were indeed there. These are the cartridges used by the rebels for these weapons, which have been seized in that region. You can look at them here. This is an M-79 grenade launcher used to launch the grenade they showed. This grenade launcher was taken from the rebels. It has a record number. I ask the multiparty commission to be kind enough to check this record number and verify it against Army Staff records or with whatever diplomatic mission and see if that number corresponds to weapons bought by the Army. This was seized from the rebels.

This is another kind of bomb they use. It has a gas cylinder. They have used this in the regions where we showed that fighting has taken place. This is why we have carried out military operations in that area.

So far this year, we have had 18 armed clashes in that area, which they call the Ernesto Guevara Guerrilla Front or Indochina region. In that region, 16 soldiers have been killed. In 1992, in the southern region of Indochina, what they call El Sovietico, in Quiche Department, where Caba is located, you can see the rebels' logistical route from Playa Grande. There you can see Caba. We have had approximately 19 clashes with the rebels around Caba, which resulted in 13 dead soldiers.

The accusations against the Guatemalan Army cannot be justified. It cannot be said that the Army bombed communities, because no towns exist there. Los Angeles, Tercer Pueblo, and Cuarto Pueblo no longer exist. I understand that perhaps the rebels want to manipulate this situation as a way of keeping some of the promises made to these people.

Gentlemen, I promise that at my next news conference I will show you real evidence—I hope that they do not invite me to visit the area as they said on 23 August—on what has really taken place there. I was commander in that area for one and one-half years. I am going to demonstrate with facts what took place there and what one can appreciate with regard to the CPR, as they said. They formed their organization more than 10 years ago. I urge those who are still holding this population hostage to reflect and let them go. Why not allow them to come to the developed towns? [end recording]

Government, Rebels Exchange Accusations

PA2608043192 Mexico City NOTIMEX in Spanish 0049 GMT 26 Aug 92

[Text] Guatemala, 25 Aug (NOTIMEX)—The Guatemalan Government said on 25 August that if the Guatemalan National Revolutionary Unity [URNG] insists on setting guidelines for the armed conflict in Guatemala, the government will not sign any agreement on human rights.

Manuel Conde Orellana, chairman of the government peace commission, demanded at a news conference that the rebel commanders respect the Mexico agreement and negotiate seriously to secure peace.

According to Conde, the government does not need an agreement on human rights with the URNG to show respect for such rights. Conde accused the Guatemalan guerrillas of not abiding by the negotiations agenda, with the hidden intention of maintaining the armed conflict that has taken the lives of 150,000 people in the past 30 years.

The official denied that the government adopted an "intransigent" attitude during the ninth round of talks in Mexico on 22 and 23 August. The talks between the two sides were suspended when no agreement was reached on the issue of when a commission in charge of investigating human rights violations and of finding a way to keep the civilian population from further suffering should begin functioning.

The chairman of the government commission said: The guerrillas have been concerned about matters of secondary importance, such as their international work in Geneva, where the human rights situation in Guatemala has been discussed. Conde accused the rebel organization of taking advantage of the absence of President Jorge Serrano, who is on a tour of Asia, to diminish the importance of the dialogue.

Conde noted that in spite of differences, the government will continue negotiating and would be "the last one to rise from the table."

The official rejected the rebel proposal that the commission that will examine past events should start working after the signing of a general agreement on human rights. According to Conde, this commission should begin functioning after the signing of the definitive peace agreement.

With regard to respect for human rights in the framework of the domestic armed conflict, the chairman of the government peace commission said this should be a unilateral commitment, not a bilateral commitment, as the guerrillas demand.

Conde explained that the government's position is based on the authority that the government has and the guerrillas lack. According to Conde, the government, by having made its position more flexible and by signing nine of the 11 points concerning the human rights issue, has clearly demonstrated its political goodwill, while the guerrillas maintain a radical position.

Police Report U.S. Citizen 'Hacked to Death'

PA2508143592 Guatemala City SIGLO VEINTIUNO in Spanish 24 Aug 92 p8

[Text] U.S. anthropologist Peter G. D. Tisciones was hacked to death by unidentified persons in the early morning hours of 23 August in a second floor room of the Panamerican Hotel, 5-63 9th Street, Zone 1, the police reported. Tisciones, who was in the bathtub of Room 237, had four neck wounds inflicted by a machete. According to the official information, hotel receptionist Jose Rafael Diaz Espat, a Belizean, found the body. Diaz Espat indicated he received a telephone call at 2300 on 22 August, apparently from the United States, asking if Tisciones was in his room. "I went there and knocked on his door several times, and since nobody opened the door I went to get my keys to find out what was happening," the receptionist told the authorities. He then alerted the police who entered the room accompanied by an investigator. The victim was identified through his passport, number 063281866, issued in New York, the United States.

Preliminary information provided by the authorities indicate Tisciones died as a result of four wounds inflicted with a machete, which the killers left on the victim's chest. According to a statement by the receptionist, Tisciones checked in at the hotel on 19 August and was never seen again until yesterday at 0030 when the body was discovered. The police reported the killers apparently did not steal anything, since the victim had his watch and personal jewelry. Tisciones was scheduled to leave Guatemala on 24 August for his country. After writing the report and ordering the removal of the body to the judicial branch's morgue, in Zone 3, the investigator had the room and a safety box series "A" sealed to protect the evidence that may lead to solving the crime.

U.S. Deputy Consul Mary Eileen Grandfield went to the site of the crime to learn how her countrymen had died.

Minister on Prospects for Export Products

PA2608031492 Guatemala City Teleonce Television in Spanish 1800 GMT 25 Aug 92

[Excerpt] On 25 August, Economy Minister Juan Luis Miron listed export products that could benefit from the free trade agreements that are being negotiated currently with countries in this region.

[Begin recording] [Miron, in progress] ...free trade treaty with Mexico, something that was signed on 11 January 1991. We have to march forward. By the end of 1996 we are going to have completely free trade and we must get ready for that.

[Unidentified Reporter] What products could Guatemala export?

[Miron] Initially it could be vegetables, grains, etc. Some enterprises are exporting iron sheets, iron, clothes, textiles, cattle, and sugar which is an important product. [passage omitted] [end recording]

Honduras

Government Officials Criticize U.S. Ambassador

PA2508141292 San Pedro Sula TIEMPO in Spanish 22 Aug 92 p 6

[Text] A recent statement by U.S. Ambassador Dr. Chris Arcos on the administration of justice in Honduras has caused commotion in both the public and private sectors.

Ambassador Arcos compared Honduran justice with a very discriminating snake that bites barefoot people, that is, the poor, but not those who wear boots.

When it comes down to interpretation, boots mean arrogance, absolute power. In the tropics, boots and the military are synonymous. The boot-military association was made immediately. The first to counterattack was General Luis Alonso Discua Elvir, commander of the Armed Forces.

The military chief announced he would demand a written explanation from the U.S. ambassador. The general said: "We are interested in the implementation of justice. Here we (the military) have the task of imposing compliance with the law."

Acting President Jacobo Hernandez also felt that he had to state his opinion on the matter, which has become the topic of national conversation. "Ambassador Arcos," he said, "must act more prudently."

Foreign Secretary Dr. Mario Carias Zapata could not have possibly stayed out of this, especially when the commander of the Armed Forces has threatened to send a letter. He hurriedly offered to present that letter as the Honduran Government's official protest to Uncle Sam.

The politicians could not spare this opportunity to bask in the media spotlight and also to vehemently declare their patriotic rejection of the ambassador's statement. The people took the matter more calmly, in a more down-to-earth fashion.

The heart of the matter is, after all, the congruence that exists between what is said and facts, between official formalisms and the behavior of public officials, politicians, national leaders, and newsmen, also.

The Armed Forces commander, on behalf of the military institution, has angrily protested the caustic and witty phrase of the U.S. ambassador and has demanded respect for Honduran sovereignty. He does not seem to remember one important fact: There is a U.S. military base in Honduras, the Palmerola Base, although it is euphemistically said to be Honduran, and the presence of this base in Honduras is due exclusively to the policy of the Honduran Armed Forces.

The presence of U.S. troops in Honduras throughout the 1980's, when those forces were quartered here and operated from here for the war the United States waged against Nicaragua, had the consent of the Armed Forces and aimed to profit the military.

The judicial branch—we shamefully report this—is partially financed with U.S. money, through the Agency for International Development. Justices are paid with these funds.

The politicians scream their heads off, pretending they are filled with patriotic fervor. The Honduran elections processes, however, are taking place, to a great extent, with money donated by the U.S. Government. This, of course, would be unacceptable for any true patriot. We have always protested this. It is a shame that some steal so much from the country that there is not enough to finance the supreme civil activity of independently electing our own government.

Newsmen, likewise, swarm around the ambassador every time he becomes accessible to ask him about domestic matters that are exclusively our concern, a Honduran concern. In acting this way, they give the diplomat the green light to meddle in our domestic affairs. He is even pressured in that direction.

These are the facts, the drama behind the scenes. It is these facts that we, if we are real patriots who love our country, must change to rescue the nation's honor.

Car Bomb Explosion Injures 3 at University

PA2608025492 Panama City ACAN in Spanish 0213 GMT 26 Aug 92

[Text] Tegucigalpa, 25 Aug (ACAN-EFE)—One woman was injured and suffered burns when an explosive device detonated inside a vehicle parked on the premises of the National Autonomous University of Honduras's School of Law on 25 August.

Cornelio Gomez, the car's owner, said the explosion occurred when he turned on the ignition at approximately 1920 (0120 GMT).

The woman, identified as Dilcia Quiroz, was injured by the explosion and burned by the ensuing flames. Gomez and Omar Funes, the other passenger, were slightly hurt.

The police and the fire department are investigating the cause of the explosion. Gomez is a member of the movement campaigning for Oswaldo Ramos Soto for president in the general election to be held in November 1993.

Ramos Soto, a former university rector, is regarded as the strongest presidential hopeful of the conservative and ruling National Party of Honduras to replace Rafael Leonardo Callejas.

The car was destroyed completely.

Nicaragua

Transporters Strike Ends; Agreement Reached

PA2608001092 Managua Radio Catolica in Spanish 1100 GMT 25 Aug

[Text] A transportation strike that effected the country for five days was lifted after a nine-hour meeting at the Construction and Transportation Ministry. The strike paralyzed the transportation of products from the interior and from other countries to Managua and resulted in millions of dollars lost not only by the transportation sector, but by the government and private producers.

According to reports on the agreement, signed on the night of 24 August, the Construction and Transportation Ministry accepted 60 to 70 percent of the transporters' demands after five days of strike.

One of the agreements reached established a moratorium for the payment of transit taxes by transporters.

The Tranporters Federation was represented by Aristides Ortega and Jose Guerra and the government by Acting Government Minister Alfredo Mendieta; Labor Minister Francisco Rosales; Deputy Labor Minister Mario Garache; Deputy Construction Minister Raul Leclair; and Agustin Jarquin, executive director of the Nicaraguan Institute of Municipal Development.

The transporters presented 20 general and specific demands. After the general demands were resolved, they

presented demands for their respective regions, of which 60 percent were resolved. The National Transportation Commission, which will study the remaining points, promised to suspend any other fees charged for the use of highways, roads, and bridges throughout the country.

Another agreement reached between the transporters and the government was the elimination of several routes in Managua and also the so-called piracy, especially by trucks and small trucks used to carry passengers, which was protested by some transporters, particularly in Managua. Trucks and buses not authorized by the Transportation Ministry were also banned on the routes between cities.

This was the latest of many strikes to be solved by the Construction and Transportation Ministry's acceptance of most of the demands presented by the transporters. As one of the journalists who covered the nine-hour meeting at the Transportation Ministry commented, most transportation conflicts are solved only after a strike.

'Text' of Agreement Issued

PA2408232592 Managua Radio Nicaragua Network in Spanish 1100 GMT 24 Aug 92

["Text" of agreement signed by the Construction and Transportation Ministry, the Nicaraguan Mass Transit Drivers Federation, Fetracolnic, and the Nicaraguan Truck Drivers Federation, Fetracanic, in Managua on 23 August]

[Text] After meeting on 23 August in Managua in the Construction and Transportation Ministry Conference Room, Construction and Transportation Minister Jaime Icabalceta; Labor Minister Francisco Rosales Arguello; Nicaraguan Institute of Municipal Development, Inifom, Executive Director Agustin Jarquin Anaya; Raul Leclair, deputy construction and transportation minister, who are the Transportation Commission delegates, and federation representatives Aristides Ortega, on behalf of the Nicaraguan Mass Transit Drivers Federation [Federacion de Transportistas Colectivos de Nicaragua—Fetracolnic]; and Jose Guerra, on behalf of the Nicaraguan Truck Drivers Federation [Federacion de Transportistas de Carga de Nicaragua—Fetracanic], reached the following agreements:

1. The National Transportation Commission declares a suspension or moratorium on the transit tax for mass transit and cargo drivers while an agreement is being reached with the country's mayors.

2. The Commission suspends any fees it is currently collecting for the use of roads, highways, and bridges throughout the country.

3. The Inifom Board of Director's commissions on economic and legal affairs are invited to attend a meeting on 28 August at 1000 in the Finance Ministry conference room to reach an agreement on the transit tax.

4. The Commission decided to reactivate the National Transportation Council.

5. The negotiations conducted by Fetracolnic and the ad hoc commission, chaired by Deputy Minister Leclair, will resume on 24 August in the deputy construction and transportation minister's conference room. Attending the meeting will be Deputy Labor Minister Mario Garache.

6. The mass transit and cargo federations call on their members to stop the strike and return to normal the transportation of passengers and cargo back throughout the country.

Signing are Construction and Transportation Minister Jaime Icabalceta; Labor Minister Francisco Rosales; Inifom Executive Director Agustin Jarquin Anaya; and Raul Leclair, deputy construction and transportation minister, on behalf of the government; and Fetracolnic representative Aristides Ortega and Fetracanic representative Jose Guerra on behalf of the federations.

Stock To Compensate for Confiscated Property

PA2608020392 Managua BARRICADA in Spanish 24 Aug 92 pp 1, 12

[By Guillermo Cortes Dominguez]

[Text] In exclusive statements to BARRICADA, Guillermo Ruiz, treasurer general of the Republic, has said the government will apportion stock from the largest public service autonomous entities, such as the Nicaraguan Institute of Energy, the Nicaraguan Telecommunications and Postal Services Institute, and the Nicaraguan Aqueducts and Sewage Institute, to compensate individuals whose property was confiscated and cannot be returned.

The shares of stock that will be delivered to the affected individuals will not exceed 48 percent of the value of those institutions, because the government will maintain a controlling interest in them, he added.

The government will deliver to individuals whose property was confiscated approximately 900 million cordobas ($180 million) in the form of cash, 10- and 20-year bonds, and shares of stock from autonomous entities.

Between 2 and 5 percent of the 1993 national budget will be earmarked for cash payments (about 90 million cordobas or $18 million) to those affected. These payments will have to be approved by the National Assembly next December.

The bonds will be negotiable in the financial system, where they may be purchased with only a small commission before their maturity date and even right after their issuance. This will set the foundation for a stock market, Ruiz stated.

The Presidency will create a Confiscations Quantification Office [Oficina de Cuantificacion de las Confiscaciones], which will be under the office of the treasurer general and his staff, Ruiz confirmed.

This office will be headquartered on the first floor of the Finance Ministry, in front of the National Assembly, on Southern Dupla Avenue, next to the Luis Alfonso Velasquez Flores Park.

Approximately 3,000 properties, including 300,000 manzanas of land and an unspecified number of houses and enterprises, are currently under dispute.

This office, which will begin operating by mid-September, will take three to four months to determine the amounts to be paid. Ruiz believes that the compensation will be paid beginning next January.

Claims that were filed at the Attorney General's Office during the open period will take priority. New claims will be accepted at the Supreme Court of Justice.

Ruiz explained that an expeditious procedure to establish the amount that will be paid has been devised already, adding that the mechanism will be direct and quick, without painful delays.

For nearly a year, the government suspended the revision of cases filed by individuals whose properties were confiscated to gather all the information concerning each request. Until now, the government has managed to compile all the data requested for an objective analysis of each claim.

In the basement at the Presidency, a team of attorneys, analysts, programmers, and computer operators gathered information on real estate, dates of acquisition, payments, loans with financial institutions, and exchanges [permutas] or compensation by the previous government, etc.

The treasurer general will have immediate access to all that information by making a request through the computer.

Many persons whose property was confiscated have voiced their willingness to take stock from public service autonomous entities. But most of those who received compensation from the Sandinist government "are the ones who are now creating problems," Ruiz reported.

An unspecified number of persons who already received payment are demanding compensation as if they had never received anything. When it is demonstrated that the previous government delivered them money or properties, they claim the Sandinists gave them what they wanted to and not what their property was really worth.

Ruiz said the current administration can do nothing in those cases in which the confiscated persons claim they were not duly compensated, because it is a completed transaction. The treasurer did not rule out that there is a great deal of opportunism apparent in many of these cases.

Central Bank, BCIE Sign Credit Agreement

PA2608012192 Managua Sistema Nacional de Television Network in Spanish 2330 GMT 24 Aug 92

[Text] On 24 August the Central Bank of Nicaragua and the Central American Bank of Economic Integration, BCIE, signed an agreement for $17.7 million to be channeled through the IMF.

The $17.7 million will be used to reactivate productive sectors. Here is Central Bank President Silvio de Franco:

[Begin De Franco recording] This loan will be used in three areas: one part will be used for agroindustries, another for industrial reactivation and modernization, and the third to encourage exports of nontraditional products in accordance with Nicaragua's development strategy. [end recording]

De Franco said the loan will be used for capital investment, raw materials processing, and to bring agriculture and livestock products to market. Other aspects to be financed are feasibility studies, technical assistance, and equipment purchases. Here is Ernesto Somarriba, Nicaragua's representative at the BCIE.

[Begin Somarriba recording] Financial assistance will be given not only to enterprises now operating but also to new enterprises, which is unusual for this type of financial assistance. In the same manner, enterprises requiring reactivation and modernization will also receive financial assistance. [end recording]

De Franco and Somarriba signed the agreement.

Rebels Attack Rural Command Unit in Camoapa

PA2608040692 Managua Radio Sandino in Spanish 1830 GMT 24 Aug 92

[Interview with Lieutenant Colonel Ricardo Wheelock Roman, Army public relations spokesperson, by unidentified reporter; place and date not given—recorded]

[Text] [Wheelock Roman] During the predawn hours of 24 August, a recontra unit headed by individuals known as B-10 and B-44 attacked the rural command at Camoapa. The garrison commander, a first sergeant, was killed and a soldier was wounded. After this attack, the rebels fled the area. What is noteworthy is the fact that this same group is believed to have kidnapped several Salvadoran truck drivers.

Following the attack, the Army dispatched reinforcements to Boaco Department from Chontales, and is currently pursuing the rebels.

[Reporter] What type of weapons and how much money did they take?

[Wheelock Roman] We are undertaking an inventory of our arsenal. The rural command did not have a large

number of weapons but there were a few. We will continue our pursuit and we will have a more detailed report for you later on.

[Reporter] Are these people being chased right now?

[Wheelock Roman] Of course. I believe I mentioned that already.

[Reporter] On this same issue, sir, there have been several rumors of many strange aircraft flying over Region 6. It is said that the FDN [Nicaraguan Democratic Front] is rearming. What truth is there to these reports?

[Wheelock Roman] First of all, we must remember that the FDN no longer exists. The FDN, as part of the Nicaraguan Resistance, disbanded in San Pedro de Lovago in 1990. We have had reports not only from Matagalpa, but from Rio San Juan, about civilian groups. We have been unable to confirm these reports. No military source, at this time, can confirm reports of such activity.

[Reporter] What about the suspicious airplanes?

[Wheelock Roman] There seems to be some connection between those airplanes and drug trafficking or gunrunning operations, and we are currently trying to confirm this.

Panama

Attorney General Says U.S. Reward Offer Legal

PA2608002792 Panama City EL PANAMA AMERICA in Spanish 25 Aug 92 p 2

[Article by Juan Pritsiolas]

[Text] U.S. Ambassador Deane Hinton warned that his country would extradite the three persons charged with murdering a U.S. soldier if they are located outside of Panama. Attorney General Rogelio Cruz, however, admitted the possibility that the accused may be taken to the United Sates if they are captured by U.S. authorities in Panama before the Panamanians capture them.

Asserting that there is a "very strong case" against Pedro Miguel Gonzalez, Daniel Batista, and Roberto Garrido, Hinton said he would not attempt to have Panama extradite these nationals because it is "prohibited" by the Panamanian Constitution. Nevertheless, Hinton said: "if these persons are in another country, of course we will attempt to have them extradited."

The diplomat said he considered the $100,000 reward for the three Panamanians as a "good idea" as this is current practice in nations where terrorist acts are committed.

Defense Lawyer Carlos Carrillo, who represents Pedro Miguel Gonzalez, called the reward offer illegal and said the signatories of the reward (U.S. State Department) are responsible for any physical injury his client might experience.

The attorney general was quick to reply that nothing prohibits the offering of a reward, noting that the best alternative for the accused is to turn themselves in to Panamanian justice.

Cruz said: If they give themselves up to local justice there is no doubt that Panama cannot turn them over to the United States. But if they remain at large and the U.S. authorities capture them, it is obvious they might wind up like Manuel Antonio Noriega.

The attorney general said there is a "specific" U.S. Supreme Court ruling on this issue.

Municipal Police Name Changed to 'Patrol'

PA2508230992 Panama City Circuito RPC Television in Spanish 2300 GMT 24 Aug 92

[Text] Panama City has changed the term of the Municipal Police to the Municipal Patrol [Vigilancia Municipal], whose main objective and functions will be to enforce strict compliance with municipal laws and decrees at the request of the appropriate authorities.

The advice by President Guillermo Endara regarding the Municipal Police has been fully heeded, according to municipal adviser Anibal Alfredo Ramos, who also pointed out this new entity will be called the Municipal Patrol.

[Begin Ramos recording] The only public security mission we are entitled to carry out is the one requested by an appropriate authority or if we catch someone committing a crime red-handed, just as the Constitution states. As the Constitution states, any government official can take the initiative when no police official is available. No decree has ever stated that we may take the initiative in matters of public security, but we made the necessary changes to clear up any doubts in this regard, as requested by the president. [end recording]

Argentina

New Chief of Armed Forces Joint Staff Named

PY2208013092 Buenos Aires TELAM in Spanish 0041 GMT 22 Aug 92

[Text] La Rioja, 21 Aug (Telam)—President Carlos Menem announced tonight that Brigadier General Andres Antonietti will be appointed chief of the Armed Forces Joint Staff. He added that Brigadier General Jorge Eusebio Rearte will be appointed to replace Antonietti as chief of the military household.

President Menem made this statement tonight a few minutes after his arrival at the local airport. Gen. Rearte, who is from La Rioja, is currently assigned to the 6th Brigade, seated in Neuquen.

Bolivia

Journalists Criticize U.S. State Department

PY2608021392 La Paz Radio Fides Network in Spanish 1100 GMT 25 Aug 92

[Text] The La Paz Journalists Association has stated that the U.S. Department of State has no moral authority to pass judgment on the Bolivian press. In a communique issued to the local media by its leading officials, the Association states:

We assert that the U.S. Department of State has no moral authority whatsoever to pass judgment on the Bolivian Government and society with regard to human rights. We regret the State Department's having made dangerous and improper sweeping generalizations which ignore the Bolivian Government's decision to improve human rights in the country.

Concerning the report released to the press, the State Department should first see the beam in its own eye. A recent example of this is its press censorship and deliberate misinformation during the Persian Gulf war. There is more than enough evidence of its misinformation campaigns launched against Cuba, Nicaragua, and Panama. We are well aware of how its notorious leaks are managed. Reliable research journalism in the United States is always shackled by top secret [preceding two words in English] issues.

We, Bolivian reporters, do not go poking around agreements to extract sensational news items, nor do we meddle in public officials' private lives just because we like gloating over scandals, or because we are driven by competitive motives—to mention but a few examples, the communique says.

The communique goes on to say that media trade unions and professional organizations have taken action against corrupt Bolivian reporters, if the charges had been confirmed. A few months ago, for example, the La Paz Journalists Association severely punished one of its members for this reason. We will proceed in a likewise manner in the future.

Brazil

Collor Rejects Charges, Will Remain in Office

PY2608032092 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0156 GMT 26 Aug 92

[Text] Buenos Aires, 25 Aug (NA)—Brazilian President Fernando Collor de Mello attributed to certain "very huge interests" the charges of corruption against him because "they are not satisfied with our government plan."

The Brazilian president said that "we are having municipal elections on 3 October, and this is the reason for this political turmoil, which is just the right atmosphere for those who are dissatisfied."

During a direct conversation with Bernardo Neustadt during the "New Time" program, Collor reiterated that he is not going to resign as president, and that the developments following the charges of corruption against him "are prerogatives granted by a state of law and democracy."

Collor added: "I have ordered that every reported case of corruption be investigated to punish the guilty, whoever they may be."

Collor ratified the development of his economic plan, and noted that "we are firm and strictly fulfilling our commitment with the Brazilian people, with results that will be very positive in 1993."

As for the charges of corruption against his government, Collor said: "I do not have eyes in the back of my head to see everything that is going on around me."

"The court must investigate what has happened and pass its judgment. The executive branch cannot condemn anybody; that is the judicial branch's job."

Regarding the demonstrations against him, Collor asserted that "the reports are magnified," and asserted that the demonstrations against him "would never have gathered the amount of people reported by the media."

Collor asserted: "Democracy is not at stake because it only grows stronger at such an intense political moment as the current one, which represents another test for Brazilian democracy."

Collor Interviewed

PY2608030192

[Editorial Report] Buenos Aires Telefe Television Network in Spanish at 0125 GMT on 26 August, monitored in progress, broadcasts during its weekly "Nuevo Tiempo" program an approximately 2.5-minute live

telephone interview via satellite link with Brazilian President Fernando Collor by program host Bernardo Neustadt. During the conversation the screen simultaneously shows Bernardo Neustadt in Buenos Aires and Fernando Collor on the phone at a desk in his office in Brasilia. Video reception is good; audio reception is fair, with breaks in audio transmission of Collor's remarks throughout.

Speaking calmly in broken Spanish, Collor says that according to the information he has, Rio de Janeiro Governor Leonel Brizola "respects the law and the Constitution."

When asked whether the military also respect the Brazilian Constitution, Collor answers: "Naturally the military are constantly reasserting their democratic spirit and their respect for the Constitution and law, as should be. The Brazilian military have been behaving in an exemplary manner during the intense political moment we are experiencing."

When Neustadt asks him whether his vice president is loyal to him, Collor says: "The vice president of Brazil is a trustworthy person. We were together throughout the electoral campaign, and he fulfills his constitutional duties."

Collor goes on to point out that he is not sorry for having engaged in politics, and notes that he believes that "this is, spiritually speaking, a very enriching phase of my life."

He then points out that he was elected president of the Republic at the age of 40, after almost 30 years without free elections. He explains that a new generation has come to power to make the necessary changes in the country.

At this point audio reception of Collor's telephone link breaks down entirely, and Neustadt ends the conversation by remarking to listeners that he wanted to hear Collor himself tell Argentine listeners about his situation in the midst of this scandal, which does no good for Latin America. The program then continues on unrelated topics.

Chamber of Deputies To Discuss Impeachment 2 Sep

PY2608153492 Rio de Janeiro Rede Manchete Television in Portuguese 1345 GMT 26 Aug 92

[Commentary by Carlos Chagas from Brasilia]

[Text] The report submitted by the Congressional Investigating Committee [CPI] undoubtedly represents a defeat for the government. The opposition will approve the report a few hours from now.

Political attention is thus centered on the impeachment process. On Wednesday, 2 September, the Chamber of Deputies will start considering an impeachment process. There still are many doubts about this process.

Upon receiving the CPI report, Deputy Ibsen Pinheiro, president of the Chamber of Deputies, will appoint a multipartisan committee which will have 10 days to give an opinion as to whether there are grounds for impeachment.

It is at that time that the government will play all of its cards. At the president of the Republic's request, jurist Saulo Ramos has prepared an opinion stating that the opinion of the multipartisan committee must be considered by the plenum of the Chamber of Deputies, the vote must be secret, and a two-thirds majority is required to approve the impeachment process. The government believes that, under these circumstances, Planalto Palace would win this battle.

The opposition hopes, however, that Pinheiro will take another course. He may call for an open vote on the petition and the required majority could be just an absolute majority; that is, 50 percent plus one of the deputies. In this case, an impeachment process could be approved. These are indeed the main doubts and concerns of both sides.

Collor, Officials To Begin Defense 27 Aug

PY2608154292 Rio de Janeiro Rede Manchete Television in Portuguese 1445 GMT 26 Aug 92

[Report by Cleyde Amorim at the Petronio Portela auditorium in the Brazilian Congress in Brasilia—live]

[Text] Deputy Roberto Jefferson [Brazilian Labor Party - Rio de Janeiro State] has just reported that the government will start implementing its strategy over the air waves: Either Justice Minister Celio Borja, Social Action Minister Ricardo Fiuza, or Secretary of Government Jorge Bornhausen will make a televised speech on 27 August to discuss the CPI's [Congressional Investigating Committee] conclusions on the Paulo Cesar Farias case. Bornhausen, the government's political coordinator, is the most likely official to be charged with this mission.

According to Jefferson, President Collor will make a televised speech to the nation next week only to defend himself against the charges made by the CPI.

CPI Report Reactions Viewed, Plans for Voting

PY2608010592

[Editorial Report] Rio de Janeiro Rede Globo Television in Portuguese at 1600 GMT on 25 August broadcasts during its regular newscast a two-minute commentary by Alexandre Garcia on the battle that is now beginning in Congress to decide on whether the Congressional Investigating Committee's (CPI) final report will really be voted on 26 August, and on the second phase of this process, which may include a request for impeachment to be filed probably at the Federal Supreme Court after 7 September. Garcia also views political meetings being held countrywide by governors, deputies, and senators in an effort to support or oppose a possible impeachment.

Another two-minute commentary by Garcia is then broadcast, on Orestes Quercia, Brazilian Democratic Movement Party (PMDB) president and former Sao Paulo Governor, who is having lunch with the PMDB governors of Para, Paraiba, Tocantins, and Goias to discuss the government's possibilities of convincing PMDB congressmen to vote against the report. Garcia says that the Liberal Front Party (PFL) governors are also holding meetings to organize their position: Santa Catarina Governor Kleinubing is meeting Governor Julio Campos, who supports the impeachment, in Cuiaba. The commentator emphasizes the fact that together these two governors have seven votes at the Chamber of Deputies. Garcia then views the decisions by the governors of Maranhao and Rio Grande do Norte to allow their fellow party members to vote in accordance with their consciences. Garcia points out that Pernambuco Governor Joaquim Francisco has already expressed his support for impeachment, although it is still unknown how the 11 Pernambuco PFL deputies will vote. Garcia also views the position of other governors, who still have not made up their minds regarding the issue. He concludes in mentioning that the Social Democratic Party (PDS) has just decided that its only representative, Aecio de Borba, will vote in favor of the report and request further investigation of the charges.

A brief report on demonstrations in Brasilia supporting the report is then broadcast. Representatives of congressional employees have handed a list of 3,000 signatures to the presidents of the Chamber of Deputies and of the Senate, supporting the CPI report. The report adds that women's leaders representing all Brazilian women have also expressed their support for a more ethical political life.

A one-minute report on President Collor's meetings this morning with leaders of the PDS, the Christian Democratic Party, the Brazilian Labor Party, and the Workers Renewal Party congressional blocs at the Chamber of Deputies is then broadcast. The report also views the meetings Collor will have with the ministers of social action, education, and health this afternoon. The source adds that at 2000 GMT government political coordinator Minister Jorge Bornhausen will meet the leaders supporting the government at Congress to discuss the government strategy for voting on the CPI final report at Congress tomorrow.

A two-minute report by correspondent Renato Machado from Planalto Palace is then broadcast, on the normal, routine schedule. He adds that the governor of Sergipe has just visited the palace, and that the president of the Brazilian Statistics and Public Opinion Institute (IBOPE) has also been at the palace to coordinate a national poll to be conducted on 27 August, after the CPI final report is voted on. Machado says that Planalto Palace is in permanent contact with the 70 deputies who still have not decided on how they will vote, seeking to increase support for the government's position.

Borja Says Ministers 'Do Not Plan To Leave'

PY2608002692 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 25 Aug 92

[Report by correspondent Luiz Augusto Mendonca from Planalto Palace]

[Text] Justice Minister Celio Borja has confirmed that the ministers do not plan to leave the government.

In a news conference here at Planalto Palace, Justice Minister Celio Borja said a few minutes ago that the goal of the communique to the nation that was announced early this evening is to calm the country and deny reports that the ministers and secretaries have resigned.

[Begin Borja recording] Some of us, the ministers, have talked at length with the president about the (?situation), and feel it is necessary to make an end to these unending reports, which come and go, on the removal or the departure of ministers—and at the same time guarantee to the nation, to the families, the individuals, and all the people interested in prosperity, public peace, and tranquility, that the country has a government. [end recording]

Yesterday Justice Minister Celio Borja began to prepare the governability communique to calm the country.

Early this morning Minister Celio Borja, along with Minister Jorge Bornhausen, the government's political coordinator, showed the communique's text to the president of the Republic.

This afternoon all the ministers and secretaries were summoned to Planalto Palace.

At [Economy] Minister Marcilio Marques Moreira's office on the fourth floor of Planalto Palace, the ministers and secretaries made some suggestions and signed the communique.

During his chat with the press, Minister Celio Borja confirmed that the communique to the nation is an attempt to prevent the political crisis from contaminating public administration.

Ministers Pledge Work To Guarantee Governability

PY2608001792 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 25 Aug 92

[Text] The ministers pledge to continue working to guarantee our country's governability. In this regard Justice Minister Celio Borja today read a communique addressed to the nation.

[Begin Borja recording] Called by the president of the Republic to join the executive branch and contribute to restoring the confidence the country should have in him in modernizing the state and public services, combating inflation, and seeking to regain development and general prosperity, with liberty and justice, the ministers of state

and the secretaries of government confirm their resolve to continue discharging their duties toward the Brazilian people.

Convinced of the honesty of their lives, the ministers of state and the secretaries of government do not fear the threat of losing their fellow citizens' respect for actually serving them at a difficult time, under adverse conditions.

Conscious of the value and usefulness of the government policy that they are implementing, the ministers of state and secretaries of government are fully engaged in the continuation of this policy, so that the Brazilian people will be able to reap the fruits of the renewal of our country's economic, social, and political structures.

As the common good is above the parties, the electoral and corporate interests, the regional and factional rivalries, and political and personal animosities, the signatories firmly believe that all Brazilians want the current political issue to be resolved with integrity, in the appropriate constitutional forums, without jeopardizing at any time the Brazilian nation's greater interests and current necessities.

After this episode the ministers of state and secretaries of government (?are confident) that they have rendered to their country, without self-conceit and pride, and with honesty and all possible ability, services that in a time of sacrifice only a few have been asked to render.

The ministers of state consider it their duty to continue working with calmness, in order to ensure the indispensable continuity of public administration and private activities and the citizens' tranquillity.

In this regard the ministers of state and secretaries of government call on all Brazilians of good will and all sectors of society, without any exceptions, to cooperate—beyond the political crisis, which will naturally be resolved within the framework of the Constitution and the democratic institutions—for our country's indispensable governability and the preservation of Brazil's permanent interests. [end recording]

Legislators Attempt To Repudiate CPI Report

PY2608020192 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 25 Aug 92

[Text] The government has reacted to the CPI [Congressional Investigating Committee] report of the PC [Paulo Cesar Farias] Farias case. Government lawmakers harshly criticized the final CPI report. They asked that the report be rejected on the grounds that it is unconstitutional.

Senator Odacir Soares knows that the opposition holds a majority within the CPI, and that a speech will not make it change its mind. Yet he spoke for 43 minutes to justify his vote against Senator Amir Lando's report. Rio de Janeiro Deputy Roberto Jefferson also justified his vote. He spoke for more than an hour in an attempt to prove that the CPI has no power to investigate bank accounts, and that the statements by the witnesses are not valid as evidence.

Some government supporters, however, believe that the CPI did a good job, but only as it applies to PC Farias and not in the part dealing with the president.

[Begin Jefferson recording] We can by no means hastily and emotionally condemn the president. [end recording]

The opposition is confident that the report will be approved, but is afraid of maneuvers that might delay the voting until the deadline, which expires at midnight tomorrow. To be on the safe side the opposition has already prepared a request for extending that deadline.

[Begin Deputy Jose Genoino recording] We are in absolute readiness, because the opposition has a very important responsibility now. [end recording]

There will hardly be any surprise in tomorrow's voting within the CPI, which will begin at 1000. The opposition is expected to approve the work by CPI spokesman Senator Amir Lando. Yet an agreement is being arranged within the CPI to make the decision on the basis of symbolic vote-taking. It is a fast system whereby the spokesman's work is rapidly approved unless a lawmaker raises objections. This system would give the opposition the advantage of showing to the country that the CPI concluded its work in an atmosphere of consensus, while the government group could have the possibility of voting in writing—that is, issuing a declaration in which government supporters might defend the president without having to defend the actions of PC Farias.

Opposition Officials Meet, To Back Impeachment

PY2608125392 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 25 Aug 92

[Text] There were coordination meetings in Brasilia today. Governors and party leaders met to analyze the position of party blocs within Congress. The PMDB [Brazilian Democratic Movement Party] leadership decided that the party will back the request for impeachment [preceding word in English] of President Fernando Collor.

Impeachment was the slogan within the PMDB. The president of the party met with governors and party leaders in Congress. Senator Amir Lando gave further explanations on the report by the CPI [Congressional Investigating Committee], clearing his fellow party members' doubts about the links between Paulo Cesar Farias and President Collor.

After a two hour meeting, PMDB leaders were convinced: They will decide to back the impeachment. The voice of governors was important for this decision. They will support the decison, but they want a fast process.

[Begin Para Governor Jader Barbalho recording] What we want is a not very long resolution of this episode,

which is a government crisis. Otherwise, it will become an institutional crisis. [end recording]

[Begin unidentified speaker recording] The PMDB intends to work—and I believe the other parties share this position—to make the vote on the impeachment process in the Chamber of Deputies go as fast as possible, and, if possible, even this month. [end recording]

Former President Jose Sarney was entrusted with the mission of setting the rules for the group that he leads within the PFL [Liberal Front Party]. The PFL, however, does not fear any desertions in support for the government.

[Begin PFL Deputy Luiz Eduardo Magalhaes recording] The PFL does not compel any of its members to adopt any position. Each member will adopt the position that best suits his own conscience. Meanwhile, party leaders and the majority of party lawmakers are working against Mr. Amir Lando's report, because it was very soft with Paulo Cesar Farias. [end recording]

In the PDS [Social Democratic Party], impeachment has become part of the coordination efforts, but a decision will be made only after approval of the CPI report.

Practically all opposition parties already have decided to support the impeachment. Efforts now focus on the search for votes, which can be obtained from unsatisfied government lawmakers.

This morning, the presidents of the PMDB, PT [Workers Party], and PSDB [Brazilian Social Democracy Party] will meet to set the course of coordination efforts.

Impeachment Plans Outlined

PY2608131992 Rio de Janeiro O GLOBO in Portuguese 25 Aug 92 p 2

[Article by Tereza Crunivel, from the "Political Panorama" column]

[Text] After presentation of the final report of the CPI [Congressional Investigating Committee] of the PC [Paulo Cesar Farias] case, opposition parties are carefully trying to avoid making mistakes in the second stage of the crisis. The course of action is the following:

1. To present a request for impeachment [preceding word in English] of President Collor to the presidency of the Chamber of Deputies by 4 September at the latest.

2. Organize rallies and demonstrations, avoiding friction and rejecting provocation.

3. Make Congress—through Chamber of Deputies President Ibsen Pinheiro and Senate President Mauro Benevides—answer President Collor if he appears on television to respond to the report.

4. Free the movement from any party or electoral connotation, trying to broaden its scope with the support of government lawmakers.

5. Use the political propaganda of television air time of all opposition parties to disseminate and detail the charges, in the campaign for the impeachment.

There is a sixth point, which party leaders have not mentioned: To go into further detail in the talks on the possible government of Vice President Itamar Franco. Talks should include Franco and those who represent him.

Possible Impeachment of President Collor Viewed

PY2508125292 Rio de Janeiro O GLOBO in Portuguese 24 Aug 92 p 4

[Text] Brasilia—The government's political coordinators admit that their bloc has a very small advantage over the opposition blocs in Congress should a request for the impeachment of President Fernando Collor come up for vote. According to an assessment made on 21 August at the residence of Minister Jorge Bornhausen, the worst scenario for the government is that the number of votes for Collor remain unchanged or drop.

Bornhausen gathered his team to make what he termed a "pessimistic assessment" of the alignment of the forces within Congress and came to the conclusion that there is no chance of any new development positively altering the current small margin in favor of the government. Assessing the government's chances, Bornhausen believes that by 29 September everything will be defined, either in favor or against President Collor, because the Chamber of Deputies will have had enough time to assess any request for impeachment.

On 21 August, 209 deputies supported the government position, 73 had not made up their minds, and the others admitted the possibility of an impeachment. The only favorable aspect of this situation is that the opposition must have two thirds of the votes to approve the request for impeachment. Planalto advisers have said, however, that the situation is not comfortable because the street demonstrations greatly influence politicians and may change the situation.

Ministers Bornhausen, Marques Moreira, and Borja believe President Collor's situation will be defined before 29 September. By then, the CPI report will have been voted on and the possibility of presidential impeachment will have been decided.

These three ministers, who are the main pillars of the government, are in a hurry to see the political situation defined because the worsening of the political crisis is paralyzing the country and creating obstacles even for current agreements with the international financial community.

Justice Minister Celio Borja Interviewed

PY2508143292 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Aug 92 p 8

[Interview with Justice Minister Celio Borja by journalists Carmem Kozak and Rosangela Bittar—place and date not given]

[Text] [O ESTADO] How is President Fernando Collor implicated in the Congressional Investigating Committee [CPI] that is investigating Paulo Cesar Farias [PC] case?

[Borja] Maybe a great deal and maybe not at all.

[O ESTADO] Does the fact that he owns a car which was paid for by a "ghost" who, it has been proved, used PC's money mean anything?

[Borja] The evidence is merely one check. Alone it is not a crime. A crime consists of a fact plus malice or guilt. A fact that may nauseate me is not necessarily a crime. If the law does not describe it as a crime because the subjective elements of malice and guilt are not present, then it is not a crime. The CPI can implicate the president in its final report, but cannot classify the facts or investigate the president. Congress can, but only as part of a trial to determine charges of malfeasance in office. Otherwise, it must be done by the Federal Supreme Court, but only if trying a common crime.

[O ESTADO] Does a malfeasance in office crime preclude impeachment?

[Borja] No. A political evaluation can be conducted into congressmen—who are subject to Congressional discipline—but this does not happen in relation to a crime, not even malfeasance in office.

[O ESTADO] Is it not a crime for an account holder to use money deposited in his account without knowing where it comes from?

[Borja] No, it is not. In the case we are discussing, there must be evidence of a partnership between the one who deposited the money and the one who received it.

[O ESTADO] Does a request for impeachment not require an investigation of its own?

[Borja] No, a request for impeachment has to follow a proper course, which is ruled by Law 1079. The Chamber of Deputies must tirelessly investigate charges made to it. This is how an impeachment process begins.

[O ESTADO] Can the president be heard?

[Borja] He can testify in the Senate during the trial and defense phase.

[O ESTADO] Mr. Minister, if this process takes a long time why do the people in the streets and politicians speak as if the president will leave office this week?

[Borja] This is a hasty position. It is understandable that people who do not know the laws or details of political life believe such things can occur overnight, but they do not move that fast. It is a judicial process. It follows a course, it is a collection of acts and steps, a complex action. If any president is charged with criminal actions, a trial must follow.

[O ESTADO] Can any phase be skipped?

[Borja] Never. To skip any of the phases would force this hypothetical president to resort to the Federal Supreme Court because his right to a thorough defense would have been hindered, and this right is not denied to anyone in this country. Thank God, no one is tried in Brazil without having a defense lawyer. If it does occur, the sentence is void.

[O ESTADO] How can the government's balance be preserved in long processes like the one you mentioned?

[Borja] Through political creativity. The ministers try to maintain governability within the framework of the best possible ethic standards and in accordance with their best skills. I would like to discuss another issue that has shocked me very much. I am often asked: How can you be a member of such an administration? First, nothing has been proved against the president of the Republic yet. Second, there is a known tendency to self-destruction. So, I ask myself: Do the people believe Brazil belongs to the president of the Republic? Can Brazil be governed by decent people? Will well-meaning members of the government be dismissed just because a minister or the head of a government department has committed a crime?

[O ESTADO] So, the ministers who are considered to maintain the government's credibility are not planning to leave their positions?

[Borja] We are being requested, even by the opposition, to stay in our posts because only thus will it be possible to continue to govern the country, to preserve the confidence of the people who deal with the government, and to show the National Treasury and Brazil's creditors that we are still complying with the terms of the Constitution and the laws, and that those who are governing the country can implement the necessary administrative measures.

[O ESTADO] Do you believe there is already a power vacuum in the country?

[Borja] Thank heavens, no. I am concerned about this self-destruction tendency, which is based on a false premise. Brazil does not belong to any president, to any minister, to any one individual. Brazil expects the best of each of us. In addition to that, none of the current ministers asked to become minister. All were summoned at a hard moment to help reestablish credibility and confidence in the Brazilian Government in the eyes of the people, the creditors, those who deal with the government, and foreign governments. We were summoned

also to ensure the continued implementation of a government program which we support: President Collor's government program. Should we leave Brazil and abandon it to its fate just because one official prevaricated? On the contrary, our responsibilities all increased.

[O ESTADO] What will happen if Vice President Itamar Franco has to be installed?

[Borja] If he is installed, we will have to leave because there will be another cabinet.

[O ESTADO] Is a massive resignation before impeachment out of the question?

[Borja] I cannot answer this question. I cannot predict future events, let alone speak for others.

[O ESTADO] If impeachment has its proper protocol, there is no uncertainty.

[Borja] This is what I am saying. If the vice president takes office I will leave, if only to prove that I am not taking advantage of my position to secure a place in the next administration.

[O ESTADO] Will political reforms ensure governability? Does a parliamentary system of government studied by you include President Collor?

[Borja] This is exactly what a decent supporter of a parliamentary system of government would never allow: To draw up a government system around a certain person. This is not like fitting a suit. We are not considering a Marques Moreira or Collor-style parliamentarian system of government. We are considering a system of government to benefit the Brazilian people, and that is all.

[O ESTADO] You are transmitting an idea of security at a moment when, outside this office, everyone feels that Brazil is upside down and that the president will leave office on 24 August.

[Borja] Can I be frank? People believe that, if the president leaves office, confusion will reign in the country, but this is entirely false. There will be no confusion whatsoever. No confusion at all! The Constitution clearly establishes who will occupy the presidency if the president has to leave office and the terms of the Constitution will be complied with. We are ensuring the continuity of the public sector activities. Our only difficulty is lack of money.

[O ESTADO] Is the government paralyzed?

[Borja] Everyone is working, and I am surprised at that. People believe we are here wringing our hands and waiting for the CPI report. We are undoubtedly waiting for the report, but the country has not stopped.

[O ESTADO] How did you interpret the street demonstrations?

[Borja] As an unquestionable mistake by the president. He can only lose his position through impeachment or Federal Supreme Court penal action.

[O ESTADO] Or by resigning....

[Borja] Yes, but he already said he will not resign. I believe all spontaneous street demonstrations are beautiful, they show that the citizens feel responsible for the country, that they know their demonstrations are important and can influence the public sector. It is very positive for people to wear green, yellow, black, or red. The color, however, is not important. What is important is that they staged the demonstrations peacefully, without weapons. I wonder, however, if they believe their demonstrations might oust the president. To make them believe that would be to deceive them or to make them become accomplices in an anti-Constitutional plot.

[O ESTADO] Is the Constitution always endangered when crowds take to the streets?

[Borja] No: Whenever there are street riots the Constitution is endangered [sentence as published].

[O ESTADO] Was the Constitution endangered during the "Direct Elections Now" campaign?

[Borja] No, because that campaign was a spontaneous and peaceful movement. Everyone said that the campaign had no repercussion because the amendment to make the elections possible was not approved in Congress. The fact is that it did have a repercussion. Congress believed, however, that the moment was not right, but as soon as it had the opportunity it made a different decision. The problem is impatience, particularly because street demonstrations do not legitimate processes.

[O ESTADO] What about the popular belief that a resignation is not necessarily an act of will?

[Borja] From the legal, moral, and ethical points of view this is heresy. It is a Bonaparte or Caesar type of plebiscite. Please do not forget that.

[O ESTADO] There have been reports that important political figures are putting together ways of showing the president that a resignation is not a unilateral act.

[Borja] A president can personally deliberate about the possibility of resigning, but he cannot be forced to do it. This would be a coup.

[O ESTADO] Did President Collor's political situation worsen following the 16 August demonstrations?

[Borja] I will not make political comments. There is a certain uneasiness about the issue and I do not want to tell lies.

Students Demonstrate for Collor's Impeachment

PY2608134192

[Editorial Report] Sao Paulo O ESTADO DE SAO PAULO in Portuguese on 22 August carries on page 5 a 600-word report on a demonstration held in downtown Rio de Janeiro. "The demonstration, one of the largest ones held recently, was sponsored by the National Union of Students (UNE) and the PCB [Communist Party of Brazil] and also supported by Rio de Janeiro politicians, candidates running for the local city hall, and the Municipal Chamber."

Under a shower of confetti and shouts of "Out Collor, Impeachment Now!" among other slogans, the demonstrators marched from the Candelaria Church to Cinelandia Square. UNE estimates that 100,000 people took part in the demonstration but police estimates indicate that there were between 25,000 and 40,000 demonstrators.

Further on Demonstrations

PY2608130792 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 25 Aug 92

[Text] Thousands of people took to the main downtown streets of Sao Paulo to demand that President Fernando Collor step down. By 1000, Paulista Avenue already was closed to traffic. Under a rain of confetti, the crowd turned the demonstration into a big party. Most demonstrators were students, almost all of them with painted faces. Yet demonstrators of all ages joined the slow-moving march. Near noon, everyone headed for the old downtown section of the city and occupied the main squares. At 1700, demonstrators gathered at (Anhangabau) valley, which was totally occupied a few hours later. People arriving there were trying to find a place, at least in the streets around the area. Thousands of people joined the demonstration for morality in the administration.

There were demonstrations in other capitals requesting the impeachment [preceding word in English] of President Fernando Collor.

In Curitiba, students played a major role. Dressed in black and with painted faces, they took to the streets and sang rock music in protest. In the afternoon, another demonstration was staged in downtown Curitiba. The downtown streets of Recife also became a stage for demonstrations. Waving flags, thousands of costumed demonstrators protested against President Collor.

In Belo Horizonte, students and workers marched along several downtown streets to a rally at (Ponto Arines) square. In Rio de Janeiro, civil organizations called for a demonstration. Thousands of people covered four blocks of downtown Rio Branco Avenue. Many students painted their faces. Artists also joined the march.

Parliamentary System Viewed as Alternative

PY2508153492 Sao Paulo FOLHA DE SAO PAULO in Portuguese 21 Aug 92 Section 1 p 6

[Text] Jose Eduardo Vieira (PR) [Parana], PTB [Brazilian Labor Party] leader in the Senate, yesterday advocated the immediate implementation of the parliamentary system of government to avoid President Fernando Collor's impeachment. The government bloc in the Senate is scheduled to meet on 26 August to discuss this proposal. The PFL [Liberal Front Party] leadership is quietly discussing this idea as a last resort for the government if the Chamber of Deputies approves an impeachment process.

The group is headed by Bahia Governor Antonio Carlos Magalhaes. It is discussing the possible implementation of a parliamentary system of government if Vice President Itamar Franco replaces Collor. If the impeachment is approved, Magalhaes does not want a concentration of power on Itamar Franco. If a parliamentary system of government is approved, the PFL would at least retain some power.

Deputies Jose Genoino (PT-SP) [Workers Party-Sao Paulo] and Alberto Goldman (PMDB-SP) [Brazilian Democratic Movement Party-Sao Paulo] have described this proposal as a "coup." They allege that the government has launched this idea to divide the opposition parties that support the presidential impeachment process.

Vieira is a presidential hopeful. He said that the crisis is so serious that a change in the system of government may be adopted before a plebiscite on this issue is held in April 1993.

Chile

Honecker's Wife Says Doctors Misled Government

PY2608014292 Santiago Radio Chilena Network in Spanish 1700 GMT 25 Aug 92

[Text] Margot Honecker, wife of former GDR ruler Erich Honecker, has after weeks in our country, broken her silence and held a news conference at the Journalist Building. The details of the conference are reported by correspondent Daniela Araneda:

[Araneda] Margot Honecker, wife of former communist GDR ruler Erich Honecker, said today that her husband's medical diagnosis was manipulated to deceive public opinion and the Chilean Government. Margot Honecker said that after the first examination at the Chilean Embassy in Moscow, the news that Honecker was going to die in a few months was disseminated throughout the world without his consent or knowledge. This happened after officials said that he was in good health. The first report circulated around the world also made Honecker appear to be a faker. Chilean Ambassador Clodomiro Almeyda was also criticized on the occasion.

Margot Honecker said that the petition by lawyers (Wolf, Becker, and Signer) also mentioned the erroneous diagnosis provided by the Moscow clinic. Margot Honecker added that it now appears clear that public opinion, and particularly the Chilean Government, were deceived as a consequence of the wrong diagnosis released by the Russian hospital. As a consequence Chile acquiesced to the insistent petitions by the Germans to surrender Honecker.

Margot Honecker read a public declaration saying that she hopes her husband will have enough physical strength to unmask all the slanderous accusations against him and his comrades, as well as all the lies about the GDR.

No questions were accepted during the news conference, which was attended by numerous national and foreign professionals. Margot Honecker said she was not going to participate in speculations on the Honecker case, adding that this was why she did not speak during the month she has been in the country. Margot Honecker said that Chilean politicians can now seek the necessary clarifications. Margot Honecker recalled that her husband thanked the Chilean president and government for having him as guest at the Chilean Embassy in Moscow.

Margot Honecker was accompanied by brothers Manuel and Clodomiro Almeyda, Gladys Marin, and other Communist Party and Socialist Party leaders.

Colombia

Prosecutor's Office Releases 14 Envigado Guards

PA2508223692 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 2300 GMT 24 Aug 92

[Text] On 24 August the Antioquia Department Regional Prosecutor's Office released 14 of the 29 prison guards who worked at La Catedral and were arrested following the escape of drug lord Pablo Escobar Gaviria. No charges were brought against them.

Government Releases Former Panamanian Officer

PA2608044892 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 2300 GMT 25 Aug 92

[Text] Edgardo Lopez Grimaldo, a former spokesperson for the deposed military regime of Manuel Antonio Noriega in Panama, was released on 25 August after a 61-day stay in La Picota National Penitentiary. The former Panamanian colonel had been arrested at the request of the Guillermo Endara government, which had asked for his extradition. The Colombian Government denied the petition, after deeming that he was a victim of political persecution.

Authorities Uncover Money Laundering Operation

PA2508201992 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1630 GMT 25 Aug 92

[Text] An international money laundering network was uncovered on 25 August in Bogota. The interesting aspect of it is that the group carried out transactions with Picasso paintings, but it is not known if these were original paintings.

A new international money laundering and illegal enrichment network operating in the country and with connections in cities in the United States and India was dismantled on 25 August by the authorities in coordination with the DEA.

The Directorate of Judicial Police and Investigations carried out 14 raids, and uncovered a new system of commercial transactions. This system used works of art by famous artists as guarantees for ensuring payment of a debt.

The authorities found two Picasso paintings called "The Cubist Guitar" and "Woman With Hat," valued at $5 million and $15 million, respectively. Everything seems to indicate these are original paintings. Nonetheless, a commission from Paris will arrive shortly in Colombia to verify the authenticity of the paintings. The painting worth $15 million was given as a guarantee that a $200,000 debt would be paid.

As for the money laundering network, the authorities found bank accounts from Miami, New York, and several cities in India, where there is no control on the entry and handling of monies.

The illegal money entered Colombia through bank branches in Panama. For security reasons, the money was sent by parcel post.

Human Rights Committee Reports on 'Massacres'

PA2508154692 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1630 GMT 24 Aug 92

[Report by Guillermo Gonzalez; all figures as heard]

[Text] The Permanent Committee in Defense of Human Rights reported on 24 August that 477 Colombians have been killed in 91 massacres carried out by guerrilla, paramilitary, and state security forces so far this year in the country. A document presented to President Cesar Gaviria reveals that the massacres have taken place mainly in Antioquia, Santander, Cundinamarca, Magdalena, Caldas, and Valle del Cauca Departments.

According to the report, the massacres can be divided as follows: 28 in Antioquia with 130 dead; eight in Santander with 45 dead; seven in Cundinamarca with 41 dead; seven in Magdalena with 33 dead; three in Caldas with 31 dead; seven in Valle del Cauda with 30 dead; and three in La Guajira with 14 dead.

[Begin committee member Jesus Anibal Suarez recording] The hopes the Colombian people had that a new constitution would alleviate the problem of human rights and violence have not been fulfilled. Just the opposite, all the factors that promote violence in the country have increased. [end recording]

The victims are peasants, housewives, youths, and workers. In just 24 days in August, 10 massacres have occurred, leaving a toll of 47 dead. According to the statistics, Antioquia is the department most affected by this type of violence. The report presented to President Gaviria indicated that violence has increased 20 percent so far this year.

* Plans To Increase Social Spending Discussed

92SM0550A Santa Fe de Bogota SEMANA in Spanish 28 Jul 92 pp 44-47

[Unattributed article: "The Second Shake-Up"—first paragraph is SEMANA introduction]

[Text] One million pesos for every poor person in the nation: That will be the figure for social spending under the present government.

The analysts saw it coming. After two years of reforms in the state apparatus and two years of economic internationalization, most of them anticipated that the government would accord to the social question the importance it deserves. This is because all of the models for opening up the economy—including the most radical experiments in economic liberalization, such as the one in Chile—have at some point found it necessary to drop anchor and put a social safety net under their institutional transformations.

Moreover, experience has shown that the efforts made with respect to social investment are yielding excellent dividends in the political arena. Spending in the social sector gave Pinochet a breathing spell that enabled him to remain in power longer than the general had imagined possible. The "Solidarity" program is one of the reasons why, in Mexico, Salinas de Gortari has been able to induce his country to accept—without major traumas—a program of free trade with the United States.

For this reason, the experts—unlike many politicians—were not surprised at the speech delivered by President Gaviria at the installation of Congress last 20 July, in which he announced "a great social shake-up that will make Colombia a just and more equitable society." A shake-up that, according to the president, will cost 10 billion pesos and that seeks to liberate 3 million Colombians from poverty.

Furthermore, many of these experts are of the opinion that the president's 20 July speech merely shifted the emphasis in the official discourse because almost every proposal in his speech had been included in the development plan that the government submitted in mid-1991. What happened, they believe, is that the government's social programs had not received sufficient publicity because of the pressure to expedite the bills dealing with the economic opening and institutional reform.

But the fact is that Gaviria's most recent speech goes beyond "The Peaceful Revolution," not only because—from the institutional standpoint—it presents the government's social investment program in a much more coherent manner, but also because it foreshadows the presentation to the Congress of the Republic of "a new and profound agenda of reform and change that will bring hope and optimism to the nation."

In the institutional area, one should emphasize the plans to coordinate the actions that the government is expediting on three different fronts: sectorial, demographic, and regional. The sectorial front relates to sectors that are singled out because they have the greatest impact on the public well-being: drinking water in particular, public health in general, education, and housing. The demographic front relates to those groups of the population that are the most vulnerable: children, youth, women, and the elderly. The regional front relates to the reordering of jurisdictions and to the decentralization of resources. All of this would be under the direction of the office of the president itself—and a powerful social advisory board.

As the president announced in his speech, some programs are already under way on many of these fronts. But as one official told SEMANA, these programs are perceived by Colombians as isolated actions that are perhaps the result of a deficient promotional campaign. "In Mexico," one expert says, "all institutional publicity relating to the government's social program is blanketed under the logo of Solidarity. This enables people to perceive it as part of a single plan, not to mention the fact that approximately one-third of the overall budget is destined for publicity."

But apart from the specific programs that have been created in the first two years of the present government, and apart from the actions now being taken with regard to drinking water, housing, and education (see box), a number of very important bills are foreshadowed between the lines of the president's speech. These bills would complement the program of social action and—although they do not meet with the approval of the entire population—would seem to indicate that the social sector will in fact have priority status during the second half of the present administration.

The first bill—which Gaviria himself regards as "one of the most important initiatives of this government"—is the social security bill, which seeks to correct some of the structural weaknesses of the present social security system. As explained in the preceding issue of SEMANA, the government's initial objective will be to create a

system of individual capitalization that will free the present Social Security Institute from responsibility for pensions and provide employees who pay into the system with the funds to meet their needs after retirement.

This bill follows the models of privatization that have been used in countries such as Chile and—according to its advocates—offers the advantage of greater operational efficiency and greater overall profitability. Moreover, it is in keeping with the policy of nongovernmental participation in the provision of health services that is in the process of being implemented in Colombia. Today, in fact, almost half a million Colombians are signed up in some system of prepaid health care, basically—it would seem—because of the inefficiency of the governmental health care services.

Another very important bill that the government will submit to Congress deals with agrarian reform. As the president stated in his speech, this is an area in which major progress has been made during the present administration. "In 1991," he said, "we acquired more land than the government had acquired in any other year during the two previous decades, and during these four years we are going to acquire more than half a million hectares." Nonetheless, the belief exists that a change in the method of purchasing land could speed up the process even further, and the bill is being considered with this in mind.

In general terms, the idea is to apply the same method that is currently being used in sectors such as housing and education: that is to say, direct subsidies. "This concept," the president said, "which is seemingly very technical, means simply that instead of choosing to create immense bureaucracies to satisfy the people's needs, we have reoriented our resources directly toward the individual citizen in order to satisfy his or her needs, without any intermediaries." If a family can acquire a dwelling with the aid of a government subsidy or get an education by means of a scholarship, it can certainly do the same when it is a question of acquiring a piece of land for its sustenance.

Vocational training is another area in which a bill is being drafted that could have major repercussions. Although the president did not mention it explicitly, SEMANA has determined that the government is considering a reform of Sena [National Apprenticeship Service] that could substantially enhance the opportunities for large segments of the population to find employment in the modern sector of the economy. The bill would provide in principle for the creation—in collaboration with the principal trade associations—of vocational training centers linked to certain specific sectors of industry, as countries such as France have done with excellent results.

Lastly, there are several bills dealing with culture and sports that will seek to provide increased funding of the governmental organs in charge of promoting them. In the president's words: "It is now time for us to make sports a large-scale activity that is a local responsibility, linked to education, and, above all, well financed." This presupposes that changes will be made in the agencies that are in charge of sports, beginning with Coldeportes [Colombian Institute for Youth and Sports].

In summary, what is already being done, and what one wishes to do, constitute for the first time a coordinated action in the social sector, which—if it goes forward and has at its disposal the millions of pesos in funding that the president has offered—will unquestionably provide an important safety net for the process of economic transformation now taking place in Colombia. It will also unquestionably help to improve the social climate. All that remains, the analysts say, is for the government—in dealing with these matters—to show the same decisiveness that it demonstrated during its first two years in power in pushing its institutional reforms. Then—as the president has assured us—the nation can go forward.

[Box, p 46]

The Pillars of the Plan

Education, housing, and the water and sewer programs are the pillars on which the social component of "The Peaceful Revolution"—the Gaviria administrations's development plan—was constructed. Together with primary health care for the poorest segment of the population, these programs—according to the president's speech—continue to be the priorities of his "social shake-up."

Education is one of the sectors in which subsidization of the supply side has been replaced by a direct subsidy to the people who use the services. "Direct subsidies," the president says, "are designed so that young people of the working class districts can—by means of scholarships—acquire a secondary school education at the schools of their choice." Although the program got off to a slow start, approximately 60,000 scholarships have been awarded this year—quite a substantial number—according to official figures.

Moreover, the government says that in addition to the scholarships, the overall investment in the educational sector will make it possible for 95 percent of all children between five and six years of age to enter kindergarten, for all children to attend elementary school, and for seven out of 10 children to attend secondary school. Moreover, according to the estimates of "The Peaceful Revolution," this plan will by itself reduce the number of people living in poverty in Colombia by approximately 700,000.

The second priority is housing. Here too, direct subsidies have played a fundamental role, to the extent that despite the initial problems, the government's goals were fulfilled in 1991 by better than 80 percent. In terms of new housing alone, thanks to the subsidies granted by Inurbe [expansion not given] and by the compensation

funds, a total of 684 building programs were carried out involving the construction of more than 60,000 housing units. Primarily because of the slowness of the improvement programs, however, it does not appear that it will be an easy task to attain the initial goal of 500,000 new housing units established in the plan and reiterated by President Gaviria in his speech.

In third place are the drinking water programs. With the aim of bringing drinking water to an additional 6 million Colombians, the government initially proposed increasing by more than 50 percent the area served by the aqueducts and authorized a total of $833 million for this purpose. According to the initial official calculations, $520 million of this total had been committed by the end of the second year, thereby making the program of aqueducts and sewer systems one of the most successful programs of the entire development plan, to the extent that during the present administration more than 400 municipalities have to date undertaken projects of this type with the assistance of Findeter [Territorial Finance Company].

The same is not true, unfortunately, in the case of the general health care programs. Despite the fact that—as the president stated in his speech—"during these two years we have expanded the coverage of the health care system by providing preventive and outpatient care and by decentralizing services," it is very significant that this was the only reference the president made to the problem in his entire speech.

In this area, and in other areas, much remains to be done. This means that the government must make a major effort to fulfill all its objectives and achieve an actual reduction of 3 million in the number of persons living in poverty in Colombia by the end of the four-year period.

Ecuador

Labor Leader Concerned Over Planned Measures

PA2508162892 Quito Voz de los Andes in Spanish 1130 GMT 25 Aug 92

[Text] The country's labor leaders have voiced their opinion on the announced economic measures of the Sixto Duran-Ballen government, especially the privatizations. Jose Chavez, president of the Ecuadoran Confederation of Free Trade Union Organizations, CEOSL, expressed to the Duran-Ballen government his deep concern over the announcement of a package of economic measures that could worsen further the serious crisis of the most needy sectors. There cannot be peace in a country if measures against the workers are adopted, he warned.

Chavez also said the planned privatizations and the topic of wages will be analyzed in view that in the previous administration, wage increases only benefited 20 percent of Ecuadoreans. Regarding the privatizations, the labor leader said he is opposed to the privatization of basic services and strategic state enterprises. Chavez also called for the establishment of a tripartite government-management-workers commission to analyze the topic of privatizations and the advisability of privatizing specific enterprises.

Peru

Government Modifies Articles of CCD Decree Law

PA2508150092 Lima Radio Programas del Peru Network in Spanish 1407 GMT 25 Aug 92

[Text] The Government has modified some articles of Law Decree 25684 on the elections of the Democratic Constituent Congress [CCD]. In order to be a candidate representative of the CCD, one must be a Peruvian by birth, over 21, a citizen in good standing, and be registered in the Election Registry of Peru.

Unregistered political parties, independent organizations, and alliances which are formed must request registration before the National Election Board. They also must have no less than 100,000 members, with the signature and number of the election list for each one of them.

Within the autonomy of its functions, the CCD will draft its own budget, adhering to the rules on austerity and availability of resources to which all state organizations are subject. The salary to be received by each congressmen for fulfilling his functions shall not exceed the salary of the president. The extraordinary bonuses for all suggestions shall not exceed 50 percent of the salary. Such amounts will not be considered for purposes of pension or indemnization.

Parties Accept Amendments

PA2608035692 Lima Global de Television Network in Spanish 0100 GMT 26 Aug 92

[Text] On 25 August the opposition political parties agreed to accept the recent modifications and corrections made to the law for the election of the Democratic Constituent Congress [CCD]. During a meeting, however, they objected to the point regarding the signatures of the supporters of independent groups.

[Begin recording] [Roger Caceres Velasquez, representative of the National Front of Workers and Peasants] With regard to the signatures and the registration of parties, independent groups, and alliances, the law is not clear. It is necessary to make further modifications, as we have proposed in detail in the study we presented.

[Enrique Bernales, representative of the United Left] It is evident that this is an improvised attempt; not even 48 hours have passed and the law already is being modified. There is no way of knowing whether this is the last modification. On the other hand, this proves we were right. [end recording]

These were the opinions of the opposition parties that met on the morning of 25 August at a private office of former senator Maximo San Roman in San Isidro.

For the Aprista Party of Peru [PAP] the main topic is the duration of the CCD and the call for general elections before 1995.

[Begin PAP representative Mercedes Cabanillas recording] The CCD must have a session of at least six months, which would be reasonable and sufficient to reform the Constitution and apply all the reforms to the democratic institutions to make them more effective. It also should call immediately for general elections, through which the people, by voting, could appoint or elect the authorities of the Legislative and Executive Branches. [end recording]

The Popular Action Party [AP] will await the decision of its National Executive Committee on its participation in the 22 November elections.

[Begin AP representative Fernando Calmeil recording] The Electoral Committee will meet and then the National Executive Committee will meet to make a decision on our participation in the elections. [end recording]

Other political parties, such as Red Fatherland, the Communist Party of Peru, announced in an eight-point communique signed by Humberto Moreno, the secretary general, that it will not participate in the November elections. Another important point is the announcement of a trip by a party delegation, led by Alberto Borea Odria of the Popular Christian Party, to participate in the special OAS session to be held on 28 August. The political situation in Peru will be debated at the meeting.

[Begin recording] [Borea] The possibility of this delegation traveling is being debated.

[Unidentified reporter] Would you lead the delegation?

[Borea] If the decision to travel is confirmed, naturally I would lead it.

[Reporter] The delegation will travel 26 August?

[Borea] All this will be decided in the next few hours. [end recording]

Fujimori Asks for Parties' Election Participation

PA2608030892 Lima Global de Television Network in Spanish 0100 GMT 26 Aug 92

[Text] President Alberto Fujimori said on 25 August that with the modifications made to the law that will rule the Democratic Constituent Congress [CCD], the political parties no longer have any excuse not to participate in the process ahead.

The chief of state said that all the suggestions made during the political dialogue have been taken into consideration. He said that neither he nor any of his relatives have any intention of participating in the electoral process.

[Begin recording] [Fujimori] At this point I do not think any political party has any excuse not to participate in this process. We have tried to heed suggestions and proposals made through the dialogue and through the dialogue for peace and development.

Recently, when the dialogue regrettably was broken, we adopted, as much as possible, the spirit that was contained in past electoral laws. We have again been listening to suggestions, through the media, from the people. We have acknowledged those suggestions completely.

All citizens expect to be able to participate democratically in the 22 November elections for a CCD. This congress must not be a new version of the old parliament. It must be a tool for renewal, for change. Technology and common sense must prevail over political interests.

That is why I believe that as a result of the measures that were announced 24 August, the country's political parties will participate in this process. I sincerely would like to see all the parties face popular elections.

[Unidentified reporter] Will there be any further modifications?

[Fujimori] We have made the most important changes. You have seen that. The CCD will have full autonomy. The only thing is that no congress or any other institution can be autonomous from the people or the country. All institutions must work for the people. Congress, and the decisions the CCD will make, will face a referendum. I think the people have the right to decide this. [end recording]

Restart of Joint U.S. Drug Operations Reported

PA2608041892 Lima Global de Television Network in Spanish 0100 GMT 26 Aug 92

[Text] According to an annoucement made by a Peruvian Air Force spokesperson, Peru and the United States will resume joint operations in the fight against drug trafficking in the Peruvian jungle. The renewal of operations will be more efficient because of improved procedures as a result of agreements reached during talks between Air Force representatives from the two countries.

Workers Oppose Social Security Privatization

PA2508223292 Lima Radio Programas del Peru Network in Spanish 2145 GMT 25 Aug 92

[Text] We have a report by Carlos Alvarado Chavez. Come in, Alvarado.

[Alvarado] A number of workers, members of several labor unions, are marching along the Paseo de la Republica. They are passing in front of the Justice Building. The marchers are led by Valentin Pacho and Pedro Huillca. The demonstrators carry several placards. What are you people demanding?

[Huillca] Labor union members and retired government employees are demonstrating against the privatization of the Peruvian Social Security Institute [IPSS]. We do not want this service to be privatized. Not only that, we are demanding that the government hand over the IPSS to the workers instead of putting it up for sale because the institute does not belong to the government.

[Alvarado] Thanks. That is according to Huillca, secretary general of the General Confederation of Peruvian Workers [title as heard]. There are approximately 400 demonstrators. We understand the marchers are heading for San Martin Square, where union leaders and representatives of the retired government workers will hold a rally.

Uruguay

Bolivia's Paz Zamora Arrives for Official Visit

PY2408020092 Madrid EFE in Spanish 1545 GMT 23 Aug 92

[Excerpt] Montevideo, 23 Aug (EFE)—Bolivian President Jaime Paz Zamora arrived in Montevideo on 23 August for a 3-day official visit. He will meet with his Uruguayan colleague Luis Alberto Lacalle, and they will mainly discuss the area's integration process and bilateral relations.

Paz Zamora and his entourage were met at the Carrasco International Airport by Lacalle and his cabinet. [passage omitted]

Argentina's Menem To Arrive

PY2508133692 Montevideo Radio El Espectador Network in Spanish 1000 GMT 25 Aug 92

[Text] The presidents of Argentina, Bolivia, and Uruguay will at noon today attend the main ceremonies to observe Uruguay's independence day. They will also open a free trade zone in the city of Florida.

Argentine President Carlos Saul Menem is scheduled to arrive in Uruguay at 1000 local time. He will leave directly for Florida.

Bolivian President Jaime Paz Zamora had a full schedule yesterday. The most outstanding events were his addresses to ALADI [Latin American Integration Association] and to a joint session of Congress. In his speech to ALADI, Paz Zamora stated that even without signing any document to join the Common Market of the South, Bolivia already feels an integral part of it because it is located at the heart of the energy-producing region.

Venezuela

COPEI Committee Studies Austerity Measures

PA2508154592 Caracas Venezolana de Television Network in Spanish 1600 GMT 24 Aug 92

[Text] At this very moment, COPEI [Social Christian Party] Secretary General Eduardo Fernandez is holding a news conference at the COPEI headquarters in (Cujisito). Fernandez is explaining his party's position on the public spending cuts announced by President Carlos Andres Perez on the evening of 23 August.

In addition, the COPEI National Committee is studying the consequences of such measures, which are aimed at strengthening the struggle against inflation effectively.

Fedecamaras Supports Measures

PA2508192192 Caracas Venezolana de Television Network in Spanish 0000 GMT 25 Aug 92

[Report by Zayda Pereira]

[Text] Fedecamaras [Venezuelan Federation of Associations and Chambers of Commerce and Industry] totally supports the measures adopted by the Executive Branch to reduce public spending. This organization issued a communique in which its president, Freddy Rojas Parra, explains its position.

Fedecamaras believes the measures announced by the president during the nationally televised address are good steps toward the creation of a national front against inflation. Rojas Parra said if the measures are rigorously implemented in the short run, Venezuela will be showing positive economic signs before the international community, especially to potential investors.

According to Rojas Parra, the government deserves support at this stage of the game so it can show in practice that it is effectively convinced that the substantial reduction of public spending can no longer be postponed.

Fiscal experience in countries like Argentina and Brazil should not be disregarded by Venezuela because the country's economic stability is at stake. To attack public spending drastically will contribute to the restoration of trust and support in public administration, both from the private sector as well as from the population in general, Freddy Rojas Parra said.

In addition, the Fedecamaras president said it is necessary for the currency to achieve real levels of equilibrium so that we can stop subsidizing superfluous imports, which are invading Venezuela today, and encourage the export of goods and services.

With these measures Venezuela will avoid skyrocketing inflation of unpredictable consequences, especially with 1993 being an election year.

According to Fedecamaras President Freddy Rojas Parra, the measures announced by President Carlos Andres Perez will create a front against inflation. If the measures are implemented firmly and seriously, they will project a positive image of Venezuela in international markets.

AD Party Supports Measures

PA2508192692 Caracas Venezolana de Television Network in Spanish 0000 GMT 25 Aug 92

[Report By Cecilia Pachano]

[Text] Luis Emilio Rondon, the assistant secretary general of Democratic Action [AD], speaking on behalf of his party, gave complete support to the measures announced by President Carlos Andres Perez. He also said he cannot explain the position of COPEI [Social Christian Party] Secretary General Eduardo Fernandez because President Perez has accepted COPEI's recommendations.

After reviewing the contents of the president's announcement, AD reached the conclusion that to achieve the economic recovery, Venezuela needs the rigorous austerity plan. Luis Emilio Rondon said that on this occasion important controls have been implemented that can guarantee the implementation of these measures.

[Begin Rondon recording] We believe all that can be done to reorganize the operation of the government and to reduce, not only bureaucracy, but public spending, is not overdue and everytime measures of this type are taken they are fiscally good for the government. We want to stress the fact that COPEI has publicly conditioned its support to these programs as long as the government demonstrated its determination to implement an austerity policy. We do not know why the Copei leadership can be dissatisfied. [end recording]

According to Luis Emilio Rondon, the measures will contribute to balancing the budget, thereby keeping inflation down.

The AD National Executive Committee meeting also decided to nominate Ramon Diaz as candidate for Vargas Municipality mayor and Gaston Navarro as candidate for governor of Sucre State.

Quality Control Increases Refinery Production

PA2608025792 Caracas Venezolana de Television Network in Spanish 1600 GMT 25 Aug 92

[Text] The Lagoven, Incorporated [a Venezuelan Petroleum subsidiary] Amuay refinery processed 447,000 barrels of petroleum per day during the first six months of 1992. This is a record production level and its true aggregate value is unequaled in the country's history.

Production increased after the implementation of a total quality control program that led to the refineries in Paraguana improving their operations. The new approach also reduced the number of unprogrammed production stoppages to implement corrective maintenance, which resulted in a daily increase in the amount of petroleum processed. The Amuay refinery has a maximum processing capacity of approximately 65 million barrels of petroleum a day, which earns the country 45 million bolivares per day.

Petroleum Corporation on Natural Gas Use

PA2608033192 Caracas Venezolana de Television Network in Spanish 1600 GMT 25 Aug 92

[Text] According to the Venezuelan Petroleum Corporation, a subsidiary of Venezuelan Petroleum, total gas sales on the domestic market will increase from 1 billion bolivares in 1992 to 2.15 billion in 1997. Gas production will be gradually increased from 220 to 680 million cubic feet per day. The increase is an attempt to make better use of natural gas and employ it in activities such as petrochemical processes, iron and steel works, and food production. Gas is also used as fuel and has replaced exportable liquid hydrocarbons in the country's industrial sector. Petrochemical development will become even more pronounced when the demand for processed gas increases.